

SEAN FOLLEY
87 HARVEST LANE
SHELBURNE, VT 05482

January 3, 2007

PENSCO Trust Company Custodian
FBO Margaret Smith IRA Account Number SM1CY
450 Sansome Street, 14th Floor
San Francisco, CA 94111-3306

Dear Sir or Madam,

This letter will confirm our understanding that Lot 1, Lot 2, and any lots subdivided from Lot 3 that share a common border with Lot 4 (as depicted on a survey entitled "Subdivision of Property of Sean Folley, 5059 Randolph Road, Morristown, Vermont, October 2006" by Daniel Mulligan, L.S.) will only be conveyed subject to the following covenants and restrictions, which will be contained in any deed conveying Lot 1, Lot 2, and any lots subdivided from Lot 3 that share a common border with Lot 4:

Development shall be restricted to no more than one (1) single family home, not to exceed three (3) stories, and one (1) garage of not more than a three-car capacity, and not to exceed two (2) stories, and one additional outbuilding not to exceed two (2) stories. If the garage is "attached" to the residential dwelling by way of structural sharing of a mutual wall, then one other outbuilding of similar size and height is permitted.

Grantor retains the right of final, written architectural approval of home and building designs, and subsequent additions, modifications, and exterior improvements prior to construction. Such approval shall not be unreasonably withheld.

Selective logging is allowed under generally accepted and established land and forest management practices. Clear-cutting is limited to two (2) acres per lot.

No livestock, poultry, or animals of any kind shall be raised, kept, or bred on the property for commercial purposes.

No mobile homes or double wide trailers will be placed or kept on the property.

Homes, landscaping, and general property shall be kept neat and well maintained at all times.

Customary home occupations are permissible on the property, as follows: the use or occupation must be customary in residential areas and carried on in a minor portion of a dwelling or a building accessory thereto, provided that such use is

clearly incidental and subordinate to the use of the premises as a residence and does not change the residential character of the area. A home occupation must be operated by a resident of the premises, with not more than two (2) employees. A home occupation may not conduct its business in such a manner as to cause undue traffic in the neighborhood, undue noise, water or air pollution, or adverse environmental impact.

Signage of any type, including but not restricted to family name, home enterprise or political campaign are limited in size to no greater than 2 feet high by 3 feet wide and restricted in placement to at or near the entrance of individual driveways or elsewhere along individual driveways, and no where else along the existing driveway as depicted on the Survey (the "Existing Driveway") or any future common rights of way and roadways constructed on Lot 4. Excluding campaign signs, homes are limited to 1 sign per household. The erection of campaign signs and any signs of a political nature are further restricted to a 60 day duration per calendar year from the time they are first erected within a given year, regardless of whether or not there are any breaks or lapses within that 60 day period.

All road surfaces, including driveways, common driveways, and common roadways are limited to gravel and shall not be covered with asphalt or other "hard top."

Costs for all improvements and upgrades to the portion of the Existing Driveway that extends from the Randolph Road to the common property line between Lot 3 and Lot 4 (running between pins 10 and 11 as depicted on the Survey) shall be borne equally by each lot making use of such portion of the Existing Driveway. Costs for all routine maintenance and plowing of the portion of the Existing Driveway that extends from the Randolph Road to the common property line between Lot 3 and Lot 4 (running between pins 10 and 11 as depicted on the Survey) shall be borne equally by each household making use of such portion of the Existing Driveway.

In the event of breach or violation of any of these covenants, restrictions, obligations, and conditions, the owners of Lots 3 and 4 and/or their successors, heirs and assigns, may enforce these protective covenants, restrictions, and obligations against the violator by appropriate proceedings for monetary damages, injunctive relief, or otherwise.

In the event any legal actions are taken or proceedings instituted to implement or enforce any of these covenants, restrictions, obligations and/or conditions, the party substantially prevailing in such action(s) or proceeding(s) shall be reimbursed by the other party for all costs and expenses, including reasonable attorneys' fees, incurred thereby and therein. In the event any such owner or owners fail or refuse to pay such costs and expenses, a lien shall arise against such owner's or owners' lot and shall continue thereon in favor of such successful party, its successors, heirs and/or assigns upon recordation of a notice of such lien

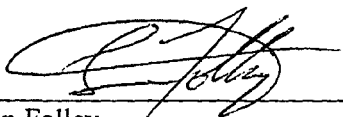
in the Morristown Land Records. Said lien shall be subordinate to any prior recorded mortgages on the lot made by the owner in good faith and for value. Interest shall accrue on the amount of said lien at the rate of ten percent (10%) per annum until all costs and expenses secured by such lien are paid in full. Said lien may be foreclosed in accordance with the provisions of Vermont law applicable to foreclosure of liens. The owner or owners in default shall be required to pay all costs and expenses of such proceeding, including reasonable attorneys' fees.

No delay or omission on the part of the owners of Lots 3 and 4 and/or their successors, heirs and/or assigns, in enforcing the covenants, restrictions, obligations, or conditions set forth herein shall be construed as a waiver of, or acquiescence in, violation or breach thereof, and all of said covenants, restrictions, obligations, or conditions may be enforced at any time.

Invalidation of any one or more of the covenants, restrictions, obligations, or conditions hereof by court order or decree shall not affect in any manner the other provisions hereof, which shall remain in full force and effect. In the event any of the provisions hereof are declared by court order or decree to be invalid by reason of the time limited stated herein being in violation of the Rule Against Perpetuities or any other rule against alienation of property, then such time limit shall be reduced to the maximum allowable time duration.

Please indicate your acknowledgment and approval by signing this letter below.

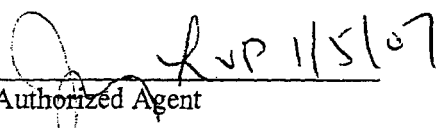
Sincerely,



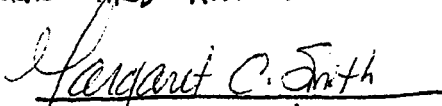
Sean Folley

ACKNOWLEDGED AND AGREED:

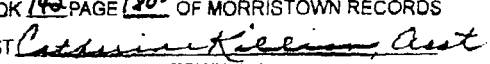
PENSCO Trust Company Custodian
FBO Margaret Smith IRA Account Number SM1CY

By:  REP 1/5/07
Duly Authorized Agent

READ AND APPROVED 1-3-2007



MARGARET C. SMITH

MORRISTOWN, VT., TOWN CLERK'S OFFICE
RECEIVED FOR RECORD Jan 9 A.D. 2007
AT 4 O'CLOCK 15 MINUTES P M & RECORDED
IN BOOK 142 PAGE 120-151 OF MORRISTOWN RECORDS
ATTEST 
TOWN CLERK