

STONE ACRES

DECLARATION OF COVENANTS, EASEMENTS, RESTRICTIONS AND LIENS

BY

LOWER NEWTON ROAD, LLC

COLCHESTER, VERMONT

Dated as of the _____ day of June, 2005

STONEY ACRES

DECLARATION OF COVENANTS, EASEMENTS, RESTRICTIONS AND LIENS

THIS DECLARATION, is made by Lower Newton Road, LLC, a Vermont limited liability company with a place of business at 269 Coon Hill Road, Colchester, Vermont 05446 (hereinafter referred to as "Declarant").

RECITALS

1. Declarant owns a parcel of unimproved land adjacent to Lower Newton Road, St. Albans, Vermont, (hereinafter referred to as the "Property") which is more particularly described as follows:

Being Lots 6-10 on a plan of lands entitled, "Site Plan Amendment, Lower Newton, LLC, Town of Saint Albans, Vermont" dated November 18, 1997, last revised June 27, 2005, prepared by Brooks Land Surveying, Inc., and recorded in the Town of St. Albans Land Records at Map Slide _____.

Being all and the same land and premises conveyed to Lower Newton Road, LLC by Warranty Deed of Albert Lamothe and Linda Lamothe dated December 29, 2004 and recorded in Volume 177 at Pages 500-551 of the Town of St. Albans Land Records.

Said land and premises are subject to the terms and conditions of State of Vermont Wastewater System and Potable Water Supply Permit No. WW-6-0943 dated November 3, 2004 and recorded in Volume 117 at Pages 229-235 of the Town of St. Albans Land Records, and to permits and approvals issued by the Town of St. Albans.

2. Declarant intends to develop the Property into five, or more, detached single family residences. Subject to State and local permit approval, Lot 9 may be subdivided.

3. Declarant has established a homeowners association to enforce these covenants and any rules and regulations.

ESTABLISHMENT:

Declarant hereby declares that the Property shall be subject to and be held, transferred, sold, conveyed, leased, occupied and used subject to all of the terms and conditions of this Declaration, which shall run with the land and be binding on all parties, and their respective heirs, successors and assigns.

ARTICLE I
Definitions

Section 1.1. Definitions. The following terms, when used in this Declaration, shall have the meanings set forth below:

1. "Assessments": The amounts assessed by the Association against the Members or Unit Owners from time to time as provided in the Bylaws.
2. "Association": Stoney Acres Homeowners Association, an unincorporated association.
3. "Bylaws": The Bylaws of the Association, as amended from time to time.
4. "Declarant": Lower Newton Road, LLC, its successors and assigns.
5. "Declaration": This Declaration, as amended from time to time.
6. "Development": The Stoney Acres development in St. Albans, Vermont, as approved by the Town of St. Albans Development Review Board and the State of Vermont District Environmental Commission #6, as such approvals may be amended and supplemented from time to time.
7. "First Mortgagee": Any commercial or savings bank, savings and loan association, trust company, mortgage company, insurance company, private mortgage insurance company, pension fund, person, corporation, or business entity, including a corporation of or affiliated with the United States government or any agency thereof, the Veterans Administration, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Credit Union, Vermont Housing Finance Agency, and any other entities chartered under federal or state laws or agencies, which is the holder of any first mortgage lien, or the beneficiary under any first deed of trust encumbering a Unit. The term "Mortgage" shall be deemed to include both mortgages and deeds of trust.
8. "Land": So much of the Property as has been made subject to the terms of this Declaration, together with all improvements thereon and appurtenances thereto.
9. "Lot": A single family residential lot, upon which one detached single family residence may be constructed.
10. "Member": The record owner(s) of a Lot.
11. "Plan": The plan entitled, "Site Plan Amendment, Lower Newton, LLC, Town of Saint Albans, Vermont" dated November 18, 1997, last revised June 27, 2005, prepared by Brooks Land Surveying, Inc., and recorded in the Town of St. Albans Land Records at Map Slide _____, as amended from time to time with the approval of the Town of St. Albans Development Review Board, and sometimes referred to herein as the "Plan of Lands".
12. "Required Number of First Mortgagees": The holders of notes which constitute at least sixty percent (60%) of the outstanding balances of all the notes secured by first mortgages on Units, whose prior written approval shall be required before undertaking certain actions by the Association, as more specifically set out in this Declaration and/or the Bylaws.

13. "Rules and Regulations": The provisions, covenants and limitations contained in this Declaration or adopted from time to time by the Board of Directors of the Association governing the use and occupancy of the Units and Common Areas and Common Facilities, and governing the behavior and obligations of the Unit Owners.

14. "Unit": A Lot with a residence constructed thereon which is ready for occupancy.

15. "Unit Owner": The record owner(s) of fee simple title to a Unit.

ARTICLE II Declarant's Reserved Rights

Section 2.1. Reservation of Rights by Declarant. Declarant reserves the following:

1. Such easements as Declarant deems necessary: to modify and/or enlarge existing utilities, roadways, walkways and other improvements; to construct and install additional utilities, roadways, walkways and other improvements on, above, under or through the Land which Declarant deems necessary or desirable for the benefit and use of the Units.

2. The right to display signs, to use any Unit as a model and/or sales office, and the right to rent any Unit which Declarant owns and which has not been sold, subject to state law and local ordinance.

3. The right, prior to sale thereof, to change, alter or modify the number, location, configuration, materials, architectural and engineering design, or size of Units and/or other improvements comprising part of the Development; provided, however, that no such change, alteration or modification shall be permitted to the extent that it would cause or authorize the construction of incompatible Units or Units or other improvements of inferior workmanship and quality.

4. The right to approve any change, addition, alteration or construction of any improvements on any Lot. This right shall terminate upon the sale of the last Lot.

5. The right to subdivide Lot 9 into as many additional Lots for which Declarant may obtain state and local permits.

Section 2.2. Notice to Unit Owners. A Unit Owner, by acceptance and recordation of any instrument conveying or transferring title or any interest in a Unit, and a First Mortgagee by holding a mortgage secured by a Unit, shall be deemed to have been given notice and to have consented to all the rights and privileges reserved by Declarant in this Article II.

ARTICLE III The Association

Membership in the Association, and the rights and duties of Unit Owners and Members shall be as set forth in the Bylaws of the Association as in effect from time to time.

ARTICLE IV

Covenant for Operating, Maintenance, Repair and Replacement Assessments

Section 4.1. Creation of a Lien and Personal Obligation for Assessments. Each Unit Owner, by the acceptance and recordation of a deed or other instrument transferring title to or any interest in a Unit, whether or not it be so expressed in such deed or instrument, shall be deemed to covenant and agree to pay to the Association all Assessments assessed in accordance with this Declaration and the Bylaws. Assessments, together with interest, costs and reasonable attorney fees, shall be a lien upon the Unit against or with respect to which each such Assessment was made, allocated, or apportioned in accordance with the Bylaws, subordinate only, as to a Lot, to the lien of a first mortgage thereon. Each Assessment, together with interest, costs and reasonable attorney fees, shall also be the obligation of the Member against whom the Assessment was made.

Section 4.2. No Exemption. No Unit Owner shall be exempt from liability for Assessments by abandonment of a Unit or by any other reason.

Section 4.3. Liability for Liens. Prior to or at the time of any conveyance of a Unit, all Assessments with respect to that Unit shall be paid in full to the Association. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid Assessments against or on account of the Unit through the time of recording of the instrument transferring ownership of the Unit. Any purchaser or holder of a mortgage on a Unit shall be entitled to a statement setting forth the amount of the unpaid Assessments against the selling Unit Owner within five (5) days following a written request therefor directed to the Association. Each First Mortgagee who comes into possession of a Unit through foreclosure (or by deed or assignment in lieu of foreclosure), or any purchaser at a foreclosure sale, shall take ownership of the Unit free and clear of all unpaid Assessments or charges against said Unit which had become due or were delinquent prior to the acquisition of title to such Unit by such First Mortgagee or foreclosure sale purchaser.

Section 4.4. Penalty. Any Assessment not paid within ten (10) days of its due date shall bear interest from the due date at the rate of one percent (1%) per month, or at such other rate as may be fixed by the Board of Directors from time to time, or in either event, at such lesser rate as is the maximum rate permitted by applicable law.

Section 4.5. Use of Assessments. Assessments levied and collected by the Association shall be used: to promote the recreation, health, safety and welfare of the Unit Owners; to meet all requirements for capital repairs, replacements and improvements for the right of way and community septic system; and to meet all other expenses and obligations incurred by the Association, including but not by way of limitation, management fees, administrative expenses, corporate fees, taxes, insurance premiums, and costs of monitoring and other demands imposed or required by existing permits or approvals, or by subsequent amendments thereto.

ARTICLE V

Water Supply, Sewage Disposal, Detention Basin

Section 5.1. Water Supply. East Lot shall have an individual water supply from a drilled well.

Section 5.2. Sewage System. Each Lot shall have its own septic tank and pump station which will be connected to a force main located in the road right of way. The force main will be connected to a concrete re-circulation tank on Lot 6. The treated effluent will be collected in a concrete pump station and discharged into a soil based community disposal leach field. Each Unit Owner shall be solely responsible for the septic tank and pump station located on the Lot and the connection to the central force main. The Association shall be responsible for the force main, re-circulation tank, treated effluent pump station and community waste disposal leach field.

Section 5.3. Town of St. Albans Not to be Responsible for Water or Domestic Waste or Roads. At no time and under no circumstances shall the Town of St. Albans, without its express consent, become responsible in any way for the domestic wastes generated within the Development served by the sewage systems or for water supplies required by the Development, nor responsible in any way for the construction, operation, maintenance, repair and/or replacement of any collection, treatment and disposal systems or wells, reservoirs, pumps or distribution systems or any component thereof. The Town of St. Albans shall not be responsible for the maintenance, repair and upkeep of any roadways within the Development until such time, if ever, as the road is accepted by the Town of St. Albans. The Association shall be responsible for the maintenance, repair and upkeep of the road until that time.

ARTICLE VI Permit Compliance

The Association shall take such steps as may be reasonably necessary to ensure continuing compliance with applicable provisions of the state and municipal permits and approvals issued in connection with the Development and relating to use and occupancy of the Units, the Land, as such permits and approvals are amended from time to time. Reference is specifically made to the terms and conditions of Wastewater System and Potable Water Supply Permit No. WW-6-0943 dated November 3, 2004.

ARTICLE VII Covenants and Restrictions Applicable to Lots

Section 7.1. General Covenants. In order to insure the use of the Lots for attractive residential purposes only, to prevent nuisances, and to secure to each Unit Owner the full benefit of a planned development, Declarant does hereby declare the following protective covenants, conditions, and restrictions shall apply to each and every Lot.

1. Residential Use. Each Lot is to be for permanent single-family purposes only. This covenant in no way restricts a Unit Owner's right to rent a Unit as a single-family residence except that all such rentals shall be evidenced by a written lease which must be for a minimum term of thirty (30) days. No building or structure intended for or adapted to business, commercial or industrial purposes, and no apartment house, lodging house, rooming house or other multiple-family (two (2) units or more) dwelling shall be erected, placed, permitted or maintained on a Lot or any part thereof. This paragraph shall not prohibit customary home occupations, except that no wholesale or retail sale of any products of a home occupation shall be conducted on any Lot. No improvements or structures whatsoever, other than a private dwelling house, patio, walls and

fences, swimming pool, customary outbuildings and garage may be erected, placed or maintained on any Lot. Each Lot shall have not more than one (1) outbuilding exclusive of the garage.

2. Size Restrictions. The minimum ground floor living area, exclusive of one story porches and garages for a one story dwelling, shall be 1,400 square feet. Two-story homes shall have a minimum ground floor living area of 1,000 square feet. Each dwelling shall have an attached garage at least eighteen feet by twenty-four feet attached on either end. The long dimension of all dwellings shall be parallel to the street, unless otherwise approved in writing by the Architectural Committee.

3. Limitation On Habitation. No outbuilding, garage, shed, tent, trailer, mobile home or temporary building of any kind shall be erected, constructed, permitted or maintained prior to commencement of the construction of the residence, and no outbuilding, garage, shed, tent, trailer, mobile home, basement or temporary building shall be used for permanent or temporary residence purposes. This covenant shall not prohibit the use of a construction trailer on a Lot during construction of the residence.

4. Occupancy. No permitted private or single family dwelling house erected upon any Lot shall be occupied during the course of construction, nor at any time prior to its being fully completed as herein required; nor shall any residence, when completed, be in any manner occupied unless in complete compliance with all covenants, conditions, reservations and restrictions herein set forth. All construction shall be completed within six (6) months from the start thereof except in the instance where construction cannot be completed within said time frame due to strikes, delays occasioned by Declarant, material shortages, casualties or acts of God. This paragraph shall not require that all interior finishing must be completed within the aforementioned six (6) month time period, but all exterior work, including but not limited to shell, chimney, roof, porches, steps, decks, windows, doors, garages, siding and landscaping must be completed within such period. If the application of said time frame to landscaping is inappropriate because of weather conditions, then the landscaping shall be completed as soon as practicable during the subsequent spring season.

5. Grading and Drainage. The grading and/or drainage patterns of any Lot in the subdivision shall not be altered.

6. Offstreet Parking. At the time a permanent dwelling is built on a Lot, adequate off-street parking for at least three (3) cars shall be provided on the Lot. Only registered vehicles are allowed on the Lots. Any boats or recreational vehicles have to be parked either in a garage or in the back of the house out of sight from the street.

7. Garages. Garages shall be for the use only of the occupants of the residence to which they are appurtenant, and shall be attached to such residence.

8. Tanks, Etc. No elevated tanks of any kind shall be erected, placed or permitted on any part of any Lot. Any tanks for use in connection with any residence constructed on such premises, including tanks for the storage of fuels, must be buried or screened sufficiently to conceal them from the view of neighboring Lots, roads or streets.

9. Garbage and Rubbish. All garbage and rubbish shall be kept in sanitary containers and there shall be no dumping on any part of a Lot and no incineration. Sanitary containers shall be stored in the garage of all Units.

10. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats and other household pets may be kept provided they are not kept, bred or maintained for any commercial purposes, and do not become a nuisance, annoyance, or danger to any Unit Owner. No dog kennels shall be allowed. All dogs must be on leash at all times and in compliance with the leash laws of the Town of St. Albans.

11. Utility Lines. All electrical, telephone, cable television and other utility or transmission lines shall be placed underground.

12. Nuisances. No Lot shall be used in whole or in part for the storage of rubbish, trash or scrap of any character whatsoever; nor shall any substance, item or material be kept upon any Lot that will emit foul or noxious odors or cause any noise that will or might disturb the peace, quiet, comfort or serenity of the occupants of surrounding Units. This paragraph shall not prohibit the storage of one (1) pleasure vehicle (such as a vacation trailer or boat) outside a dwelling, outbuilding or garage.

13. Signs. No billboards or advertising signs of any character shall be erected, placed, permitted or maintained on any Lot or on the residence or other structures located thereon, except that a Unit Owner of a Lot or his or her agent may erect or display one (1) sign of not more than six (6) square feet advertising the Lot for sale. All signs must comply with applicable state law and regulations and local regulations.

14. Commercial Vehicles. No commercial vehicles or construction or like equipment of any kind shall be maintained on any Lot, other than in the course of construction, unless kept in a completely enclosed garage.

15. Reception Antennas. No Unit Owner shall install or have located on said premises any satellite television reception dish with a diameter in excess of two (2) feet, nor shall any Unit Owner erect any base station reception antennas for the reception of short wave or CB unless specifically approved by Declarant.

Section 7.2. Enforcement. Should the Association employ counsel in order to enforce any of the foregoing covenants, conditions, reservations, restrictions or obligations, all costs incurred in such enforcement, including a reasonable fee for counsel, shall be paid by the Unit Owner of such Lot or Lots found to be in violation by a court of competent jurisdiction. No delay or omission on the part of the Association in exercising any right, power or remedy herein provided for in the event of any breach of the covenants, conditions, restrictions and obligations herein contained shall be construed as a waiver thereof or acquiescence therein. No right of action shall accrue, nor shall any action be brought or maintained by any Unit Owner against Declarant for or on account of its failure to bring an action on account of any breach of these covenants and condition, nor for imposing covenants and restrictions which may be found or determined to be unenforceable at law.

ARTICLE VIII
Architectural Control

Section 8.01. Architectural Control.

1. No building, fence, wall, swimming pool or other structure shall be commenced, erected or maintained upon a Lot, nor shall any addition to or external change or alteration therein be made until the plans, elevations and specifications showing the nature, kind, shape, height, materials, floor plan, location and grading changes shall have been submitted to and approved in writing by the Architectural Committee.

2. The Architectural Committee will have the unrestricted right to refuse to approve any such plans, specifications or grading plans which, in its opinion, do not conform with the provision or intent of this Declaration. The Architectural Committee shall have the further right, in passing upon such plans, to consider the continuity of the proposed building, fence, wall or other structure and site plan with adjacent or neighboring structures and the materials of which it is to be constructed.

3. The Architectural Committee shall have three (3) members. The initial members shall be appointed by Declarant. When all the Lots are sold by Declarant, the Architectural Committee will be appointed by the Association.

4. Approval or disapproval by the Architectural Committee as required by these covenants will be in writing. In the event the Architectural Committee fails to approve or disapprove within thirty (30) days after the plans and specifications have been submitted to it, approval will not be required and the related covenants will be deemed to have been fully complied with. Conveyance by Declarant of a Lot with house constructed thereon by Lower Newton Road, LLC shall be deemed approved by the Architectural Committee.

5. Any written approval by the Architectural Committee shall be presented to the Town of St. Albans Zoning Administrator simultaneously when applying for a Town Zoning Permit.

ARTICLE IX
Amendment to or Termination of the Declaration

Section 9.1. General. The terms and provisions of this Declaration shall run with the land and be binding upon Declarant and all subsequent Unit Owners. Except as limited hereinafter, this Declaration may be amended by Declarant or, after the Members have acquired voting rights, in accordance with the Bylaws, upon the affirmative vote of at least two-thirds (2/3) of the voting power of the Members of the Association. No amendment shall alter any duty or restriction existing under any applicable governmental permit or approval unless the authority issuing such permit or approval shall consent thereto in writing.

Section 9.2. Right Reserved in Declarant. Declarant, for so long as Declarant retains ownership of any portion of the Development, may unilaterally amend this Declaration in accordance with the provisions of Article II, and also may unilaterally amend this Declaration to

satisfy and meet any requirement of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Vermont Housing Finance Agency, the District Environmental Commission or the Town of St. Albans.

Section 9.3. First Mortgagee Approval Required as to Certain Amendments. With respect to certain proposed amendments to this Declaration which could have significant impact upon the rights and security of First Mortgagees, in addition to such an amendment receiving the approval of Unit Owners required in Section 9.1, the amendment also shall require the approval in writing of the Required Number of First Mortgagees. The amendments which would be deemed to have a significant impact upon the rights and security of a First Mortgagee are as follows: (1) a change in voting rights of Unit Owners other than provided for in this Declaration; (2) a change in the manner Assessments are allocated or an alteration in the existing priority of first mortgage liens over Assessments; (3) a change in responsibility for maintenance and repairs; (4) changes in boundaries of any Lot; (5) changes in any insurance or fidelity bonds; (6) changes in the terms required for leasing a Unit; (7) removal of Land from the Development; (8) imposition of restrictions on a Unit Owner's rights to sell, transfer or alienate a Unit; (9) restoration of the Development after casualty damage or partial condemnation in a manner other than restoring or repairing the Development to its condition existing prior to said casualty or condemnation; (10) any amendment or action that would effectively terminate this Declaration; (11) any decision by the Association to establish self-management when professional management had been previously required by a First Mortgagee; or (12) a change in any provision of this Declaration which expressly benefits First Mortgagees.

Section 9.4. Conditions to Termination. No termination of this Declaration will be effective unless adequate substitute arrangements have been made to ensure compliance with the terms and provisions of all applicable permits and approvals issued by the State of Vermont District Environmental Commission and the Town of St. Albans. Termination also shall require the written approval of the Required Number of First Mortgagees.

Section 9.5. Illegal or Unenforceable Term. If any covenant, condition, restriction or obligation of this Declaration, or this Declaration itself, is determined to be illegal and/or unenforceable because of its perpetual nature, then such covenant, condition, restriction or obligation, or this Declaration itself, shall be deemed to run with and bind the Land for a term of forty (40) years from the date of execution of this Declaration, and shall thereafter be deemed to automatically be extended for successive periods of ten (10) years each unless terminated as provided in this Section 9.5.

Section 9.6. Compliance. Each Unit Owner shall be governed by and shall comply with the terms of this Declaration, the Bylaws of the Association, and any resolution, Rules and Regulations or other restrictions promulgated by the Association. A Unit Owner shall be liable for any expense incurred for maintenance, repair or replacement rendered necessary by a Unit Owner's act, negligence or carelessness, or by the act of any member of a Unit Owner's family, guests, invitees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. In addition to any and all remedies provided by law, this Declaration, or the Bylaws, the Association, acting through its Board of Directors, shall be entitled to the following relief:

1. The right to impose a reasonable fine for any violation of the Declaration or the Bylaws, which fine shall be a continuing lien against the Unit of the defaulting Unit Owner and shall be enforceable in the manner provided by the laws of the State of Vermont, this Declaration and the Bylaws.

2. The right to abate, enjoin or remedy the continuance of any violation of this Declaration, by appropriate legal proceedings, either in law or in equity, including, without limitation, an action to recover any sums due for money damages, injunctive relief, or foreclosure of the lien for payment of Assessments, or any combination thereof. Said remedies shall be cumulative and shall not constitute an election of remedies.

ARTICLE X

Rights of First Mortgagees

Section 10.1. General Rights to Notice. Any First Mortgagee may send the Association a written request pursuant to this Section 10.1, identifying the First Mortgagee's name and address and the Unit against which it holds a first mortgage lien. Thereafter, the Association shall be obligated to send said First Mortgagee timely written notices as to any of the following: (1) any condemnation loss or casualty loss which materially affects the financial condition of the Development or any Unit; (2) any delinquency in the payment of Assessments or other charges by an Owner of a Unit subject to a first mortgage which delinquency remains uncured for a period of sixty (60) days; (3) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and (4) any proposed amendment or termination which needs the approval of the Required Number of First Mortgagees.

ARTICLE XI

Miscellaneous

Section 11.1. Conflict. In the event of any conflict between the terms of this Declaration and the terms of the Bylaws, the provisions of this Declaration shall control.

Section 11.2. Severability. In the event any provision of this Declaration is deemed invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provision hereof.

Section 11.3. Waiver. No restriction, condition, obligation, or provision of this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce it.

Section 11.4. Captions. The captions in this Declaration are for purposes of reference only and shall not limit or otherwise affect the meaning thereof.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the ____ day of June, 2005.

Declarant - LOWER NEWTON ROAD, LLC

By: _____
David J. Goodrich, Member
and Duly Authorized Agent

STATE OF VERMONT
FRANKLIN COUNTY, SS.

At St. Albans, in said County and State, this ____ day of June, 2005, personally appeared **David J. Goodrich**, Member and Duly Authorized Agent of **LOWER NEWTON ROAD, LLC**, and he acknowledged this instrument, by him sealed and subscribed, to be his free act and deed, and the free act and deed of **LOWER NEWTON ROAD, LLC**.

Before me, _____
Notary Public

My commission expires: 02/10/07