



THE CANDLEWOOD TRAILS ASSOCIATION
INCORPORATED
POST OFFICE BOX 474
NEW MILFORD, CONNECTICUT 06776

THIRD AMENDMENT AND RESTATEMENT TO
DECLARATION OF RESTRICTIONS
THE CANDLEWOOD TRAILS ASSOCIATION, INCORPORATED

WITNESSETH

WHEREAS, The Candlewood Trails Association, Inc. (the "Association") is a Connecticut non-stock corporation created by certain Articles of Association dated June 23, 1951, filed with the Connecticut Secretary of the State on June 25, 1951, and also recorded June 27, 1951, at Volume 11 7, Page 17, of the New Milford Land Records;

WHEREAS, certain properties shown and designated on a map entitled "Candlewood Trails on Lake Candlewood, New Milford, Connecticut" and shown on a certain map recorded as Map No. 248 with the New Milford Town Clerk were conveyed by William Hanna, Receiver of Candlewood Trails, Inc. to the Association by deed dated August 7, 1951, and recorded December 29, 1951, at Volume 11 7, Page 289, said properties and any additions and accessions thereto hereafter referred to as the "Candlewood Trails Development";

WHEREAS, the Association, upon the vote of its members, enacted a certain Declaration of Restrictions dated April 3, 1971, and recorded April 6, 1971, at Volume 204, Page 467, of the New Milford Land Records (the "Declaration of Restrictions");

WHEREAS, the Association, upon the vote of its members, amended said Declaration of Restrictions by a certain Amendment to Declaration of Covenants of The Candlewood Trails Association, Inc. dated August 28, 1983 and recorded September 20, 1984, at Volume 321, Page 131 of the New Milford Land Records (the "First Amendment");

WHEREAS, the Association, upon the vote of its members, amended and restated the Declaration of Restrictions by a certain Amendment and Restatement of the Declaration of Restrictions dated September 1, 1990, and recorded at Volume 432, Page 689, of the New Milford Land Records (the "Second Amendment");

WHEREAS, the Association, upon the vote of its members, amended and restated the Declaration of Restrictions by a certain Amendment to the Declaration of Restrictions dated August 26, 2000, and recorded November 22, 2000, at Volume 649, Page 133, of the New Milford Land Records.

TO ALL TO WHOM THESE PRESENTS SHALL COME OR MAY CONCERN, GREETINGS,

KNOW YE THAT, THE CANDLEWOOD TRAILS ASSOCIATION, INCORPORATED, a Connecticut corporation with an office and place of business in New Milford, Connecticut (herein "CTA"), acting herein by its President, Robert Bernhardt, and Secretary, Rosalie Fitzgerald, heretofore duly authorized by vote of said Association, duly called and held in the Town of New Milford, Connecticut, and the other subscribers hereto, all being property owners within the Candlewood Trails Development, so-called, and being the owners of more than ninety percent (90%) of the property shown upon a certain survey map entitled, "Candlewood Trails of Lake Candlewood, New Milford, Conn.", which is on file in the office of the Town Clerk of the Town of New Milford as map #186, together with and including land purchased by Candlewood Trails, Inc. from the Birch Groves Association and all as more particularly appears on the Land Records of the Town of New Milford, do hereby consent and agree to the following Amendment and Restatement of the Declaration of Restrictions of the Candlewood Trails Association, Inc., as above

described. Each subscriber hereby solemnly agrees, each in consideration for the promise of the other hereby acknowledged, that the following Amended and Restated Declaration of Restrictions shall constitute the sole set of restrictions governing said premises, and shall be construed as covenants running with the land and shall be binding upon the subscribers hereto and upon their respective heirs, successors and assigns.

NOW THEREFORE, the Declaration of Restrictions of the Candlewood Trails Association, Inc. are Amended and Restated and shall read as follows:

Article FIRST:

The owners of plots of land shown on Map #186 shall have the same privileges and rights that CTA has for the use of the Lake where shown on said map including access to the Lake. The title to any land which is part of any street, road or highway shown on Map #186 is subject to a permanent easement running with the land for the use thereof for highway purposes by all other owners of Candlewood Trails plots, and by CTA, its successor; and assigns, for the installation and maintenance of telephone, telegraph and electric light poles and lines, of electric conduits, gas and water pipes, and for any and all installations and improvements necessary as determined by CTA and its assigns for the proper maintenance of such highways and for public utilities, and that CTA, its successors and assigns, may in its discretion, dedicate and transfer to the State, County, Town or Village, or to itself, or to its designee, any or all of such roads and highways for highway purposes. CTA, its successors and assigns, reserves the right to promulgate from time to time, reasonable rules and regulations concerning the use of the streets and roads within the Candlewood Trails development.

Article SECOND:

There is reserved to CTA, its successors and assigns, the right to lay and maintain gas or water pipes, drains or drain pipes, and to erect and maintain electric light or power or telephone poles or fixtures over and along any boundary line of the plot herein described within two feet of said boundary line (or, if there are contiguous plots under one ownership, the perimeter of the total plots shall constitute the boundary lines for this case), and expressly reserves the right to maintain and repair such utility lines or pipes as may have been heretofore located on any portion of said plot. CTA further reserves the right to set and charge a "tap-in" fee with respect to any request by a lot owner to tie into CTA's water system.

Article THIRD:

There shall not be erected or permitted on the herein described premises any building or structure except one detached one-family dwelling house and one private garage for not more than two cars. The color scheme of all buildings and structures shall be in harmony with that of the natural landscape of Candlewood Trails, such as earth, rocks and trees. Not more than one family shall be permitted to reside on said premises at any one time. A diagram showing the location of any house or garage proposed to be built or remodeled or altered upon such lot or lots and the plans and specifications, together with color scheme, shall first be submitted to and approved in writing by the Board of Directors of CTA. The color scheme of any building or structure to be painted a different color from that previously approved, shall first be submitted to and approved in writing by the Board of Directors of CTA. Any and all buildings and improvements shall be constructed, altered and maintained in strict accordance with the plans and specifications so approved. Said property shall not be used for any purpose other than a private residence as aforesaid and shall not be used for any business or manufacturing purpose whatsoever or for any purpose that might constitute a nuisance. No fence or fences shall be erected or maintained on any portion of the said premises unless approved, in writing, by the Board of Directors of CTA. All refuse shall be disposed of in strict accordance with such rules and regulations as CTA, its successors and assigns,

shall promulgate from time to time. No refuse material, new building material, unlicensed vehicles, or litter of any kind shall be stored or permitted to remain on said premises, except while a building is under construction. No sign of any character shall be displayed upon the premises other than those which may be approved by CTA, its successors and assigns. No chickens or other poultry, pigeons or stables shall be permitted on the premises. A dog house will be permitted, providing it is in keeping with the rules governing the colors of buildings and structures. Storage of boats, boat trailers, docks, floats and motor vehicles shall at all times be off the roadways, trails, beaches and property owned by CTA, unless authorized in writing in advance by the Board of Directors of CTA. The use of uninsured vehicles of any kind is prohibited on CTA roads or property, and unlicensed drivers are prohibited from driving on CTA roads and property.

Article FOURTH:

It is understood and agreed that in the event the owner of any plot or plots of land (improved or unimproved) shown on Map #186 shall list for sale or contract to sell plot or plots, the Board of Directors of CTA will be notified in writing of the owner's intent to sell, not later than thirty (30) days prior to the date of the anticipated transfer of title of the plot or plots of land to the prospective new owner. Upon receipt of such notice, the Board of Directors of CTA shall prepare a statement of all dues, assessments and other charges owed to CTA by the owner of the plot or plots of land which are the subject of the notice of sale. The statement shall also set forth the Initiation Fee to be paid by the purchaser of the plot or plots of land. CTA shall provide a copy of the statement to the prospective purchaser and the seller, by certified mail, at least ten (10) days prior to the actual date of closing of title. All past due charges, dues and assessments and the Initiation Fee shall be paid to CTA simultaneously with the closing of the title to the plot or plots of land.

Article FIFTH:

CTA shall have the right, as owner of the fee in and to the private roads, beaches and recreational facilities, to manage the same and to approve all plans, specifications, setbacks, and all other matters related - thereto. The parcels shown on the map reserved for beach, reserved for Clubhouse, and reserved for water supply, or as otherwise set out for community purposes, are not affected by these Restrictions. Any adjoining premises shown on Map #186 and not heretofore subdivided, shall be subject to the burdens, privileges and rights of these Restrictions.

Article SIXTH:

Annual assessments: All owners of any portion of the property known as Candlewood Trails, not including CTA, shall pay an Annual Assessment. The amount of the Annual Assessment shall be recommended by the CTA Board of Directors and shall be approved by vote by CTA Members at the Annual Meeting of CTA. The amount of the Annual Assessment for each vacant building lot shall be one-tenth the assessment for a Plot containing a dwelling unit. A Plot shall be defined as one or more contiguous lots (as shown on the recorded map of Candlewood Trails) on which a dwelling has been erected. Each additional vacant building lot owned by a Plot owner, but not contiguous to the owner's Plot shall be subject to an additional one-tenth assessment for each such lot, as stated above. Each Annual Assessment shall be paid in one installment and shall be due on or before January 1st (first) of each calendar year.

Special Assessments: The CTA Board of Directors may recommend from time to time, Special Assessments to fund major capital expenditures, subject to the affirmative vote of the Members at the Annual Meeting or a Special Meeting of CTA. The Special Assessment charged to each vacant building lot shall be one-tenth the Special Assessment charged to a Plot containing a dwelling unit. The Association may levy a Special assessment as a "lump sum" amount or may permit a Special Assessment

to be paid in installments. Each Special Assessment (or installment thereof) shall be paid within ninety (90) days of the date notice of a Special Assessment (or installment thereof) is mailed by first-class mail to Association Members. Funds collected for Special Assessments shall be held in a separate account and may be used only for the purposes for which such funds are collected, with any excess funds to be returned to the CTA general account upon completion of the capital project for which the Special Assessment was collected.

Such assessments shall be applied to the payment of the following expenses of CTA: Laying, maintaining, replacing, repairing and improving water lines, pumps and other equipment for the distribution of water; establishing, opening, grading, oiling, paving, snowplowing, sanding, maintaining or discontinuing or otherwise providing for roads and lanes within the community; maintaining the beach; maintaining the Clubhouse, and doing anything deemed desirable for the beautification of the property; and paying the financial compensation of all employees which the Association may deem proper to employ for any of the purposes herein set forth, or the other expenses incurred in implementing and enforcing the provisions of these Restrictions.

Late Fees: Liens: Payments of Annual Assessments made after January 31st (thirty-first) will be considered delinquent and will be subject to a late payment fee for each month thereafter, the amount to be determined by the Board of Directors of CTA and approved by a vote of the Membership. Payments of Special Assessments made after March 31st (thirty-first) will be considered delinquent and a late-payment fee will be initiated or continued for each month thereafter, the amount to be determined by the Board of Directors of CTA and approved by a vote of the membership. CTA shall have a lien on any Plot or vacant building lot equal to any unpaid Annual Assessments, Special Assessments, interest due, late fees, fines or other charges (each an 'Assessment' and collectively the 'Assessments') permitted by this Declaration, the CTA By-Laws and/or the CTA rules. Recording of this Third Amendment to the Declaration constitutes record notice and perfection of a lien in favor of CTA, and no further notice or recordation of such lien shall be required. Furthermore, if any Assessment is unpaid within six (6) months after it is due, the Board of Directors may bring a legal action to collect such unpaid Assessments, in which case the Assessment(s) shall be deemed to include all costs and expenses, including reasonable attorney's fees, in collecting the Assessment(s).

Article SEVENTH:

CTA shall apply all assessments collected to the purpose herein set forth. Nothing hereinabove, however, shall require CIA to pay any of the foregoing expenses except out of the assessments collected. Each owner of a Plot or Lot in Candlewood Trails grants to CTA the right and power to bring any action necessary for the collection of such assessments and the enforcement of the lien thereof against the Plot or Lot of such owner.

Article EIGHTH:

All property owners shall be Members of CTA, subject to the Bylaws of CTA. All property owners shall be subject to the rules and assessments of CTA with respect to the property of CTA and shall be entitled to vote, provided they are paid-up members, upon any matters duly brought before CTA in accordance with its Bylaws.

Article NINTH:

No property owner may lease a Plot or vacant Lot for a term of less than three (3) months, or to more than one (1) family at a time, or may permit a tenant to sublease or assign the lease. Notwithstanding the foregoing, a property owner may re-rent the premises prior to the expiration of three months if the tenant earlier breaches the lease or if a lease is in effect on the date this Third Amendment of the Declaration is adopted. All new leases and/or rental agreements shall be in writing. Within ten (10) days after the

commencement date of any new lease, the property owner shall submit a copy of the signed lease (the rental amount may be deleted), together with the CTA Rental Agreement form, signed by all tenants, to the CTA Board of Directors. The property owner shall provide each tenant with a copy of the CTA Rules and Regulations, and the signed Rental Agreement form shall indicate each tenant's agreement to comply with such rules and regulations.

Article TENTH:

At the time of any purchase of a lot improved by a dwelling or of a vacant building lot within Candlewood Trails, the purchaser shall pay to CIA an Initiation Fee, the amount of which may be determined each year by the CTA Membership at its Annual Meeting, which amount shall be controlling for each sale of a building/dwelling lot. If unpaid, the Initiation Fee shall become a lien on the purchaser's property and shall continue until fully paid. Said Initiation Fee shall be payable by all purchasers. Said Initiation Fee shall not be payable in the event of a transfer by devise or inheritance, and shall not be applicable to a transfer to a bank, savings and loan association, insurance company or finance company for mortgage purposes or to a transfer between spouses or other immediate family members. Said Initiation Fee shall be applied to the payment of the expenses of CTA, as outlined in Article SIXTH herein.

Article ELEVENTH:

All CTA owned property is to be preserved to maintain the existing balance between private homes and open space. Specifically, no property is to be sold to any individual or made available for individual use via easement. Any exceptions to this restriction must be recommended by the Board of Directors of CTA and approved by two-thirds (2/3) of the Membership.

Article TWELFTH:

To enforce this Declaration of Restrictions, the Board of Directors of CTA may notify a property owner of any alleged violation of this Declaration of Restrictions, as it may be amended from time to time, and, after providing an opportunity for the property owner to be heard, may assess a reasonable fine for said violation. Any fine so assessed and not paid within sixty (60) days from the date on which a property owner is mailed notice of such fine by first-class mail, shall become a lien on the property of said owner and may be enforced in the manner prescribed in Article SIXTH.

This Declaration of Restrictions, as it may be amended from time to time, shall run with the land in perpetuity and shall be enforceable both as covenants and conditions, provided that this Declaration of Restrictions, as it may be amended from time to time, may be terminated upon the written consent of one hundred percent (100%) of the members of the Association. In addition to all other remedies available to it, CTA, its successors and assigns, shall have the right to apply to any proper court for injunctive relief to compel enforcement of this Declaration of Restrictions. The party against whom enforcement is sought shall pay to CTA all costs and expense of such enforcement action, including reasonable attorney's fees. Failure of CTA, its successors or assigns, to enforce any of the restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Amendments to these Restrictions shall be subject to confirmation in writing by at least sixty six and two thirds percent (2/3) of the Members of CTA.

This declaration may be further amended for capitalization and to make other non-substantive changes to make other provisions of the Declaration consistent with the new amendments set forth above.

We hereby further agree, each in consideration of the promises of the other in consenting to the above

restrictions and covenants, to waive, relinquish and release any and all right, title, interest, claim and demand which we have or to which we may be entitled, in and to any and all contracts, Declaration of Restrictions, or otherwise as may appear in the Land Records of the Town of New Milford insofar as the same are inconsistent with the restrictions above set forth and we hereby remise, release and forever discharge CTA and/or Candlewood Trails Association. Inc. and its predecessors in title from all obligations, liabilities, rights, claims and demands which we may have against it or them insofar as we are concerned.

We further agree to be bound by the above Declaration of Restrictions and by proper vote of CTA, duly held in accordance with its Bylaws. These Restrictions shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective heirs, successors and assigns.

Invalidation of any of these covenants or Restrictions by judgment or court order shall in no way affect any other covenants or Restrictions contained herein, which shall remain in full force and effect.

In WITNESS WHEREOF, we have hereunto set our hands and seals this 7th day of October, 2000.

Witnesses:

Cynthia A. Forbes (signed)

Ruth E. Herbert (signed)

THE CANDLEWOOD TRAILS ASSOCIATION, INC.

By Robert Bernhardt (signed)

President Robert Bernhardt

By Rosalie Fitzgerald (signed)

Secretary Rosalie Fitzgerald