

**AGREEMENT  
BETWEEN  
BELLAMY RIVER VILLAGE  
AND  
CRICKLEWOOD ON THE BELLAMY CONDOMINIUM ASSOCIATIONS  
REGARDING SHARED COSTS**

**BACKGROUND.** Bellamy River Village Condominium Association (BRV) and Cricklewood on the Bellamy Condominium Association (CW) abut one another and share a common property line. As constructed, BRV is served by the sewage lift station and discharge line and a portion of the private roads owned by and located within the CW property (said portion of the private roads sometimes hereafter referred to as the "shared roadway"). Water and electrical power systems serving BRV are also connected to those utilities within the CW property. The sewage lift station, discharge line and water and electrical power system will sometimes be referred to hereafter as the "shared facilities") Construction of these utility and road connections and the right to their use is pursuant to easements granted by the Cricklewood on the Bellamy Trust to the Hawthorne Trust in May 1999. CW acknowledges the physical reality of the completed construction and BRV acknowledges its responsibility to share in the cost of operation, maintenance, repair and eventual replacement of the shared-use infrastructure.

**AGREEMENT.** The easements establish certain obligations on BRV and CW, but provide no procedures or guidelines for their implementation. In order to define procedures to carryout the obligations imposed by the easements, BRV and CW enter into the following **agreement** regarding ongoing operation, maintenance, repair and replacement of the CW shared facilities and roadway that is used by and benefits both communities. This agreement is not intended to change or supercede the obligations imposed on each community by the easements; rather the intent is to provide for and clarify the day-to-day working relationship between the two associations.

1. CW-OWNED INFRASTRUCTURE USED BY BOTH COMMUNITIES

- a. Sewage pump station and discharge line
- b. Clearwater Drive

2. GENERAL PROCEDURES.

- a. Management Responsibility. The CW Board is responsible for proper management of all common property owned by the CW association including the infrastructure whose use is shared with BRV. The CW Board will establish annual budgets for maintenance and repair of the Association's common property. The budget shall be in such reasonable amounts as are necessary to maintain the shared facilities and shared roadway in functional condition for the benefit of both Associations. CW will manage the operation, maintenance, repair and replacement of those assets in a reasonable manner for the joint benefit of CW and BRV. The BRV Board shall have a reasonable opportunity on an ongoing

basis to make recommendations to the CW Board regarding the operation, maintenance and repair of the shared use infrastructure. The CW Board will give any such recommendations careful consideration. However, the CW Board has the final decision-making responsibility.

- b. Budget Preparation. Annually, the CW Board will develop an operating budget for the upcoming year. This budget will provide for the total anticipated costs for operation, maintenance and repair of the Association's property including maintenance and repair of shared facilities and roadway. These budgets may include amounts to be contributed to the Association's capital reserve for ultimate major repair or replacement of the shared facilities and shared roadway and BRV agrees to contribute an appropriate amount to its reserve in accordance with the formula or percentage stated in this Agreement.
- c. Budget Process. CW shall provide to BRV not later than October 15 a proposed budget for the following year showing the total cost and BRV cost share for all shared expenses and reserve contributions. After receipt of the proposed budget, BRV shall address any issues it believes are relevant in writing to CW on or before November 1. If BRV requests changes in the budget, CW shall advise BRV in writing on or before November 15 of the disposition of any such changes. CW shall make its financial records relating to the shared costs available to BRV upon reasonable notice from BRV of its desire to review same.
- d. Collection of funds
  - i. Both Associations shall arrange to collect the necessary funds for the shared facility maintenance, repair and replacement in such manner as they see fit.
  - ii. BRV shall pay to CW or its designated management agent one-twelfth of their annual obligation on the first day of each month. Pro-rata payments from individual BRV unit owners to CW will not be accepted.
  - iii. In the event that the CW Association determines that additional funds are needed for the shared facilities and roadway which funds are more than can reasonably be included in its annual budget, it shall notify BRV of the amount of BRV's portion of such additional funds and the time frame within which CW expects to collect its portion from CW's members. BRV shall pay its portion of the additional funds in the same timeframe. An explanation of the expense, total amount incurred and the BRV share will be provided to BRV with the request for payment.
  - iv. A \$25 dollar late fee will be added for any payment not received by CW after the 15th of the month in which the payment was due.
- e. Management. The CW Board (and any management agent it retains) shall direct and oversee the ongoing operation, maintenance, repair and replacement of the Association's common property as provided in the CW Declaration and By-Laws

including all activities related to or associated with the shared facilities and roadway

- f. Annual Reconciliation. As soon as practicable after December 31st of each year, CW will provide to BRV an annual reconciliation of the past year's expenses versus budgeted amounts and payments received. Any unspent funds received from BRV will be returned to BRV. Should expenses exceed funds collected, a notice will be provided to BRV and BRV shall pay any additional money due at the same time as CW specifies that CW owners will pay their share but no sooner than 60 days from receipt of the notice unless other arrangements are agreed upon.
  - g. Community policies, regulations, and By-Laws affecting shared-use infrastructure. CW may adopt whatever policies, regulations or By-Laws which, in its reasonable judgment are necessary for the benefit of both Associations regarding the use, operation, maintenance, repair or replacement of the shared facilities and roadway including establishing speed limits, installing speed bumps, etc. All such policies and regulations shall apply equally to BRV and CW association members.
  - h. Changes to this Agreement. Changes to this agreement require approval of both CW and BRV. Either community may suggest changes to the other and both communities are fully committed to working together as good neighbors.
  - i. Effective Date. This agreement shall become effective on the date signed by CW and BRV. The parties acknowledge that cost sharing on an informal basis has been ongoing since October 2000.
3. SEWAGE PUMP STATION AND DISCHARGE LINE.
- a. Description. CW owns and operates a sewage pump station and discharge line. The pump station presently consists of a receiving well, dual electrical motor driven pumps, gas fired emergency generator and associated controls, switchgear and alarm system. The emergency alarm system is connected via dedicated telephone line to the Dover Police Department. The pumps, controls and generator are housed in a small wooden structure on the CW property. Electrical power is metered and the generator is provided with a dedicated propane bottle. A CW-owned force main connects the pump station to a city sewer line located on Spur Road.
  - b. Cost Associated with the Station and Line
    - i. Operating Costs. These costs include the following:
    - ii. Pump Service. Provided by a qualified service company. Includes parts and labor for maintenance, lubricants, etc.
    - iii. Alarm connection fee

- iv. Electrical Consumption.
  - v. Emergency Generator fuel
  - vi. Insurance
  - vii. Repairs. Any required scheduled or emergency repairs or service including any required parts or labor.
  - viii. Maintenance. Any required periodic or specific maintenance including motor or pump service, painting, replacement of worn components, re-roofing the pump house, etc.
  - ix. Capital Replacement. The cost to replace the pumps, emergency generator, or other major components of the pump station and force main.
  - x. Fees associated with or attributable to the operation, maintenance, repair or replacement of the pump station and discharge line.
  - xi. Any other reasonable costs incurred by CW as a result of the ownership, operation, maintenance, repair, modernization, or replacement of the pump station and sewer force main.
- c. Cost Sharing. All costs as noted above associated with the pump station and discharge line will be pro-rated between BRV and CW based on the number of units in each development that have been completed and sold. Prior to each budget cycle while development of CW is incomplete, the CW Board will use the number of occupied Cricklewood units anticipated as of January 1 of the budget year to serve as a basis for budget development and cost sharing calculation. The annual reconciliation at the end of each budget year will adjust for the number of additional CW units sold during that year.

#### 4. ROADS.

- b. Description. CW owns a road network consisting of Clearwater, Blue Heron and Eagles Bay Drives. BRV is reached by traveling over Clearwater Drive from the City-owned Spur Road to the Clearwater Drive circle and thence by a connector road from the circle to the BRV property. The CW roads are asphalt construction without curb or gutter. Shoulders are maintained grass areas. Streetlights provide night lighting and signs provide for speed and directional information. A Cricklewood entrance sign borders Spur Road. The connector from the Clearwater Circle to the BRV property was constructed under the provisions of the aforementioned easements. Upkeep, maintenance and repair of this connector road are the responsibility of BRV.
- c. Costs associated with CW Roads
- i. Maintenance and repair of the road surfaces
  - ii. Operation and maintenance of street lighting
  - iii. Snow plowing, sanding and salting
  - iv. Drainage maintenance
  - v. Signage maintenance
  - vi. Insurance

- vii. Capital Replacement/Maintenance including repaving
  - viii. Management fees associated with or attributable to the operation, maintenance, repair or replacement of the roads.
  - ix. Any other costs incurred by CW as a result of the ownership, operation, maintenance, repair, modernization, or replacement of the roads, streetlights, or associated areas.
- d. Cost Sharing. BRV is responsible for 50% of the costs of operation, maintenance, repair and replacement of the shared roadway. The shared roadway is understood to mean Clearwater Drive from its connection to Spur Road to and including the Clearwater Circle at its terminus. This portion of road comprises approximately 50% of the CW total road system (at this time of this agreement, Eagles Bay is under construction and not included in this calculation.) Cost share calculations are generally as follows:
- i. Maintenance, repair and replacement of the road surface, drainage structures (culverts, manholes, etc.) CW and BRV will equally share all costs attributable to the shared road.
  - ii. Operation and maintenance of street lighting. CW presently has a total of six streetlights. Four are located along the shared roadway. This represents 4 of 6 or 2/3. For undivided expenses such as the CW electrical bill for streetlights, BRV's cost share will be 50% of 2/3 or 1/3 of the total cost.
  - iii. Snow plowing, sanding and salting. CW segregates the cost for snow plowing and sanding of roads from other snow removal costs. At present, the shared roads represent roughly 1/2 of the CW roads. BRV's costs will be 50% of 1/2 or 1/4 of the total.
  - iv. Drainage maintenance, signage and insurance. CW does not normally budget for these specific expenses. Where such expenses are incurred and are attributable to the shared roadway, BRV will be billed on an each occurrence basis.
  - v. Capital Replacement/Maintenance including repaving. CW will budget for capital reserve contributions and allocate 50% of the amounts attributable to the shared roadway to BRV.
  - vi. Management fees. BRV will be allocated 50% of any specific management fees incurred by CW incident to arranging for or managing maintenance, repair or replacement of the shared roadway.
  - vii. Any other costs incurred by CW as a result of the ownership, operation, maintenance, repair, modernization, or replacement of the roads, streetlights, or associated areas. BRV will be allocated 50% of any such costs attributable to the shared roadway. An explanation will be provided by CW to BRV should such costs be incurred.

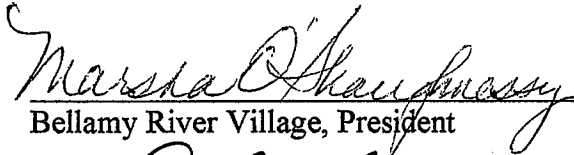
5. UTILITY LINES SERVING BRV WITHIN CW PROPERTY.


- a. Description. Certain connections to utilities within the CW property were constructed pursuant to the aforementioned easements to serve the BRV

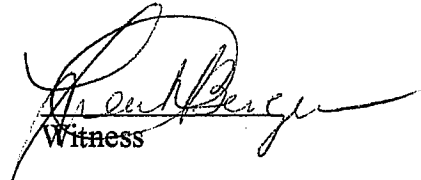
community. These include electrical and water service and a gravity sewer line connecting the BRV units to the CW pump station wet well.

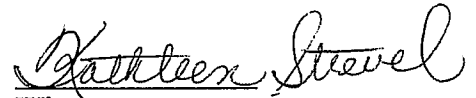
- b. Responsibility. BRV will be responsible for any costs associated with maintenance or repair of electrical, sewer, water or other utilities constructed pursuant to the aforementioned easements that serve just BRV. The cost to CW for repair of any direct or consequential damage to CW property or infrastructure resulting from the maintaining, repairing and operation of these utilities will be reimbursed by BRV.

Signed this 18<sup>th</sup> day of DECEMBER 2003.

  
Bellamy River Village, President

  
Cricklewood Condominium Association, President

  
Witness

  
Witness