

INTER-TAX DISTRICT AGREEMENT

This Agreement dated this 6th day of April, 1997 is by and between CANDLEWOOD TAX DISTRICT ("CTD"), a tax district organized and existing under the laws of the State of Connecticut and having a mailing address of P.O. Box 123, Sherman, Connecticut 06784, acting herein by Thomas Derby, its President, duly authorized, and TAX DISTRICT OF CANDLEWOOD LAKE ESTATES NEW MILFORD ("CLETDNM"), a tax district organized and existing under the laws of the State of Connecticut and having a mailing address of P.O. Box 292, Sherman, Connecticut 06784, acting herein by Michael W. Shyman, its President, duly authorized.

WHEREAS, the CANDLEWOOD TAX DISTRICT, is a tax district located in Sherman, Connecticut and is organized pursuant to the provisions of Section 7-324 et seq. of the Connecticut General Statutes; and

WHEREAS, the TAX DISTRICT OF CANDLEWOOD LAKE ESTATES NEW MILFORD, is a tax district located in New Milford, Connecticut and is organized pursuant to the provisions of Section 7-324 et seq. of the Connecticut General Statutes; and

WHEREAS, CTD and CLETDNM each consists of lots and property located in CANDLEWOOD LAKE ESTATES, a community developed by Dr. Egon Neustadt; and

WHEREAS, CTD acquired the ownership of the roads and beaches in CANDLEWOOD LAKE ESTATES formerly owned by Dr. Neustadt, Candlewood Lake Estates Services Corporation or their successors or assigns; and

WHEREAS, one of the roads acquired is known as Blueberry Lane, which is located entirely within the confines of CLETDNM and serves property located in that district and one of the roads acquired is known as Green Pond Road, portions of which are located within the confines of both CTD and CLETDNM; and

WHEREAS, CTD acquired Laurel and Longview (a/k/a "A" Beach) Beaches, subject to, inter alia, certain deeded rights of use in favor of property owners owning property within the CLETDNM; and

WHEREAS, CTD and CLETDNM desire a mutually equitable agreement concerning the maintenance and upkeep of Blueberry Lane, Green Pond Road and Laurel and Longview Beaches;

NOW, THEREFORE, in consideration of One Dollar (\$1.00) and other valuable consideration, each received of the other, the parties agree as follows:

✓ 1. CTD shall secure and maintain liability insurance covering all beaches and roads within CANDLEWOOD LAKE ESTATES and with a base policy coverage of \$2,000,000.00 per occurrence/per aggregate and an umbrella policy of an additional \$3,000,000.00. CLETDNM

shall pay to CTD one-sixth of the actual cost for the base policy of \$2,000,000.00 upon submission of invoices and, if requested, backup documentation by CTD to CLETDNM. CTD shall maintain and pay the total cost for the excess or umbrella liability coverage of no less than \$3,000,000.00 (being in excess of and above and beyond the base policy coverage). Should the reasonable need arise for higher limits of liability for the base policy insurance coverage in the future, CLETDNM shall contribute a like prorata amount based upon the division of payment responsibility set forth herein.

2. CLETDNM shall pay to CTD one-sixth of the actual amount expended by CTD for beach maintenance of all beaches owned by CTD upon submission of invoices and, if requested, backup documentation by CTD to CLETDNM. CLETDNM shall be a named insured with respect to insurance maintained on the beach properties. "Beach maintenance" shall be a line item in the respective budgets of CTD and CLETDNM and it is defined to include the following:

- a. Grass cutting;
- b. Beach raking;
- c. Garbage pickup;
- d. Beach cleanup;
- e. Removal and installation of floats;
- f. Removal and installation of ropes and buoys;
- g. Repair or replacement of floats, buoys and ropes;
- h. Insurance;
- i. Replacement of beach sand;
- j. Tree trimming;
- k. Brush and weed cutting/trimming;
- l. Damage resulting from vandalism or "Acts of God" not covered by insurance.

3. CLETDNM and its members agree and CLETDNM, through its Board of Directors, will inform all of its members, and through those members, their guests, that they may use only such beach or beaches as a respective member may properly utilize pursuant to that member's deed rights. It is mutually understood that this contribution and payment agreement confers no additional rights of beach use to members of CLETDNM other than those enjoyed previously by deed right.

4. CLETDNM shall pay to CTD, upon submission of invoices and, if requested, backup documentation:

- a. 40% of all road maintenance costs associated with Blueberry Lane; and
- b. 40% of the total road maintenance costs for only the portion of Green Pond Road as is situated within the Town of New Milford.

"Road maintenance" is defined as follows:

- a. Patching;

- b. Brush and tree cutting/trimming;
- c. Culvert cleaning and road sweeping;
- d. Emergency repairs, including, but not limited to, repairs necessary due to washouts or fallen trees;
- e. Grading of Blueberry Lane;
- f. Damage resulting from vandalism or "Acts of God" not covered by insurance;
- g. Maintenance of street signs;
- h. Any other non-capital improvement work, labor and/or materials necessary to keep the subject road in a safe, sound and passable condition, however, specifically road overlay projects pursuant to paragraph 5 herein shall not be considered "Road Maintenance".

5. CLETDNM shall pay the following to CTD, upon submission of invoices and, if requested, backup documentation:

- a. 40% of all snow plowing costs associated with Blueberry Lane; and
- b. 40% of the total snow plowing costs for only that portion of Green Pond Road as is situated within the Town of New Milford.

6. CLETDNM shall pay to CTD:

- a. 50% of road overlay costs associated with Blueberry Lane; and
- b. 33% of road overlay costs for only that portion of Green Pond Road as is situated within the Town of New Milford.

With respect to road overlay projects associated with Blueberry Lane or that portion of Green Pond Road situated within the Town of New Milford, the road committees of the respective tax districts, working jointly and by majority vote of each road committee (as opposed to a majority of the whole joint committee), shall determine:

- a. Whether road overlay is necessary; and
- b. If road overlay is necessary, the type of road overlay to be utilized (e.g. chip seal, sand and oil or asphalt).

With regard to road overlay projects associated with Blueberry Lane or that portion of Green Pond Road situated within the Town of New Milford, the amount of the payment to be paid by CLETDNM to CTD shall not exceed \$3,000.00 in any one fiscal year of the CLETDNM, it being the intention hereof that any amounts due from CLETDNM for such road overlay project in excess of \$3,000.00 shall be paid at the rate of \$3,000.00 per year until the full CLETDNM share for such project has been fully paid. Said funds

shall be deposited in a separate, interest bearing account opened in the joint names of CTD and CLETDNM and requiring the signature of a duly authorized officer of each tax district for the withdrawal of any funds from said account. Likewise, it shall be the obligation of CTD to make like pro rata contributions to said road overlay account so that CTD fully funds its proportionate share simultaneously with CLETDNM. Unless otherwise agreed, no road overlay project pursuant to this section shall be performed until such time as the respective tax districts have fully funded the project or projects pursuant to the funding/deposit obligations pursuant to this section.

7. CLETDNM shall be permitted one member representative to serve on the CTD beach committee with the same full voting and similar rights of all other members of such committee, but only with respect to the issues and two beaches covered by this Agreement. CLETDNM shall be permitted one representative to serve on the CTD road committee with the same full voting and similar rights of all other members of such committee but only with respect to the issues and properties set forth in numbered paragraphs 4 and 5 of this Agreement. The same individual representative of CLETDNM may serve on both committees if so appointed by CLETDNM.

8. Each tax district shall designate separate budget line items in their respective budgets for its respective share of expenses for road maintenance, road overlay, snow plowing, beach maintenance, and other contracts or similar such expenses. The Board of Directors of CTD shall present its proposed budget to CLETDNM by April 15th of each year in order for CLETDNM to properly prepare its budget. CLETDNM shall budget its required share pursuant to this agreement based upon the last proposed or approved CTD budget submitted by CTD to CLETDNM prior to the CLETDNM annual budget meeting so long as the CLETDNM budget meeting is held subsequent to April 15th.

9. CLETDNM and its members agree to be bound by the Constitution, By-Laws, Rules and Ordinances of CTD pertaining to roads and beaches.

10. At the time of execution of this document and as part of the consideration for this agreement, CLETDNM shall pay \$5,764.50 to CTD, which sum represents payment in full for all claims which CTD has or may have for contributions from CLETDNM for past beach and road maintenance costs incurred through February 16, 1997.

11. CLETDNM and CTD will each pay 50% of the total legal fees and costs incurred by both tax districts for the preparation and completion of this Agreement.

12. This Agreement shall be governed by the laws of the State of Connecticut and shall be binding upon the parties, and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the year and date above written.

CANDLEWOOD TAX DISTRICT

BY: Thomas E Derby
THOMAS DERBY, its President

TAX DISTRICT OF CANDLEWOOD LAKE
ESTATES NEW MILFORD

BY: Michael Shyman
MICHAEL SHYMAN, its President

STATE OF CONNECTICUT)
COUNTY OF Litchfield) ss.: New Milford

The foregoing instrument was acknowledged before me this 6th day of April, 1996 by Thomas Derby, who acknowledged himself to be the President of Candlewood Tax District, duly authorized by the Board of Directors of the Candlewood Tax District and the members thereof to act on behalf of said tax district.

Patricia M. Sylvestre
Notary Public
~~Commissioner of Superior Court~~
My Commission Expires: 8/31/2001

STATE OF CONNECTICUT)
COUNTY OF Litchfield) ss.: New Milford

The foregoing instrument was acknowledged before me this 6th day of April, 1996 by Michael Shyman, who acknowledged himself to be the President of the Tax District of Candlewood Lake Estates New Milford, duly authorized by the Board of Directors to act on behalf of said tax district.

Patricia M. Sylvestre
Notary Public
~~Commissioner of Superior Court~~
My Commission Expires: 8/31/2001