

RECREATION MANAGEMENT AGREEMENT

This agreement is made this 29 day of October, 196 by and between Waterville Estates Village District, a municipal corporation, with a principal mailing address of 562 Winter Brook Road, Box 19, Campton, NH 03223 (hereinafter the "District"), and Waterville Estates Association, a New Hampshire corporation, with a principal mailing address of 562 Winterbrook Road, Box 36 Campton NH, 03223 (hereinafter the "Association").

RECITALS

- A. The District has been formed pursuant to RSA Chapter 52 for the purposes, among others, of the supply of water for domestic purposes (RSA 52:1, I(d)), the maintenance of roads (RSA 52:1, I(m)), the impoundment of water (RSA 52:1, I(d)), the maintenance of facilities and activities for recreational promotion (RSA 52:1, I(h)), and the maintenance and care of parks and commons (RSA 52:1, I(g) and (h)).
- B. The District is responsible for the maintenance of certain roads within the District, including necessary repair, reconstruction, paving, maintenance of drainage, sanding, plowing, salting and grading, and uses tax revenues for this purpose.
- C. The District is responsible for the maintenance and management of the water system extending from the well head to the curb stop, including wells, tanks, pumps, pipes, dams, impoundments of water and other facilities and apparatus used in the impoundment and supply of water for domestic purposes and uses tax revenues therefore. In instances in which the distribution system does not extend to undeveloped lots, the owner of said lost are responsible for the necessary upgrades to the system to supply water to the property.
- D. The District is responsible for the maintenance and management of facilities and activities for recreational promotion, including construction of capital improvements, operating recreational programs, and maintaining and caring for parks and commons, using both tax

revenues and funds paid by the Association for capital improvements and the operation of recreational activities. The District is also responsible for ensuring a safe and inviting environment on common grounds, managing safe and responsible alcoholic service and maintaining liquor and food service standards commensurate with licensing for each. The District is also responsible for ensuring a safe and inviting work environment free of harassment and discrimination. Despite the governing documents of the Association and the independent activities of Association's elected or appointed officials, or management, staff, the District possesses unilateral general authority to take actions to manage its responsibilities relative to safety and professionalism at all times. The Association is responsible for establishing and maintaining an admission policy to all recreational facilities of the Village District and for establishing and enforcing an Owner usage policy for these facilities, including a code of conduct for its members, guests and renters.

E. The District is experienced in the management and maintenance of activities associated with recreational promotion, recreational activities, the care and maintenance of parks and commons, and the construction of capital improvements associated therewith, and has the necessary personnel and equipment to perform the services required by the Association related to such activities as contractually agreed upon. The District also has experience in accounting, billing and clerical assistance to document retention and maintenance of the Association and agrees to contractually deliver such services to the Association.

F. The purpose of this Agreement is to formalize the financial arrangements relative to the financing and operation of recreational activities, recreational promotion, the construction of recreational capital improvements, and the maintenance and care of parks and commons in order to insure that activities, and business support services, desired by the Association are

provided by the District, and the financing of those improvements, services and recreational activities, is consistent with the use of Association funds.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree to enter into the following agreement concerning the management and maintenance of recreational activities and programs, the construction of recreational capital improvements, and the maintenance and care of parks and commons (hereinafter collectively referred to as "Recreational Activities") for the benefit of the Association and its members.

1. Duration and Termination.

- a. This Agreement shall be effective April 15, 2016, and supersedes all prior agreements between the parties concerning recreational activities, and shall run to April 2018 and renew for two year periods thereafter unless notification to change this agreement is provided by letter to Association President or to the Village District Commission no later than March 1 prior to the scheduled renewal.
- b. If the District breaches any term of this Agreement, the Association shall give written notice of the breach to the District. If the District fails to remedy the breach within 30 days of such notice, or if such breach shall have been of a nature that the same could not have been cured within 30 days, and if the District shall not have, in good faith, commenced the curing or remedying of such breach, within such 30-day period, the Association may, at its option, terminate this Agreement. Upon termination, the District shall return to the Association all unexpended funds which are not encumbered by a contract with a third party or owed to the District for services already rendered.

- c. If the Association fails to make timely payments as set forth in this Agreement, the District may terminate the provision of services for recreational activities until all payments, due the District, are made by the Association, and the Association provides assurance that future payments will be made in a timely fashion.
- d. Notwithstanding anything to the contrary contained herein, the District will not be obligated, by this Agreement, to perform services beyond the amount funded by the Association.
- e. The Association agrees to maintain liability insurance as well as insurance for Directors' and Officers'

2. Servicing of Recreational Activities and Business Activities.

- a. The District shall provide necessary, qualified personnel and equipment in order to provide recreational activities agreed upon by the parties on an annual basis, within the limits of the funds made available by the Association.
- b. The District shall provide necessary, qualified personnel and equipment in order to provide business activities, agreed upon by the parties on an annual basis, within the limits of the funds made available by the Association.
- c. On or before November 1 of each year, the Association shall advise the District of the irrevocable commitment of an amount of money the Association shall make available to the District for recreational activities for the ensuing year, At this time the Association shall also provide a proposed program of recreational activities, together with the estimated cost of each such activity . Additionally the Association shall provide a separate proposal

for capital improvements, all with a corresponding commitment of Association funds to be made available for such..

- d. On or before December 15, the District shall accept or deny the Association's proposed activities and funding. and add District, funds as it may deem necessary at its sole discretion as provided for in Paragraphs e. and f. below. The District reserves the right to commit to the cost of and administration of any capital improvements it sees as beneficial to the community at large at any time.
- e. Thereafter, but not later than January 15, the District and Association shall meet to discuss and reconcile budgetary and programmatic issues, including capital improvements, for the ensuing year. Both the District and Association shall share information, including budgeting, planning, engineering, and economic studies and reports, to the maximum extent possible, and may establish joint working groups and committees.
- f. The District shall have the final decision with respect to a budget for recreational activities, including capital improvements, if any, for the ensuing year, but in no event shall the budget exceed the amount of money made available by the Association, combined with such amounts as may be contributed by the District.
- g. The District will be considered the sole fiduciary of all surplus funds created in the Recreation Fund of the District.
- h. Nothing contained herein shall prevent the Association from making additional funds available to the District for recreational programs or capital improvements during the fiscal year.

3. Payments.

The Association shall pay as a management fee its share of the budget, representing the total budget approved by the District, less the amount which the District may contribute for the ensuing fiscal year. These funds are payable upon collection by the Association. All payments made with respect to capital improvements shall be paid before project completion dates and/or payment schedules

4. Books and Records.

The District shall maintain books, accounts and records that reflect all expenditures incurred in connection with the provision of recreational activities by the District.

These books, accounts and records shall be maintained at the District's offices, and shall be available for inspection by the Association during regular business hours.

5. Successors, Assigns and Non-Assignability.

This Agreement shall be binding on and inure to the benefit of the successors and assigns of the parties hereto; provided, however, that this Agreement may not be assigned by either party without prior written consent.

6. Validity.

This Agreement is understood to comply fully with the laws of the State of New Hampshire relative to Village Districts, and in particular, relative to the authority and duties of the commissioners, and therefore, to the extent any provision of this Agreement in any way may conflict with or breach such laws, such provision shall be null and void.

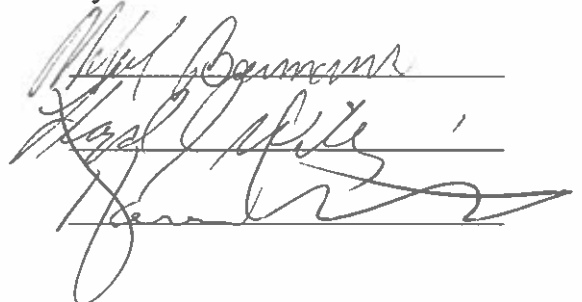
7. Notices.

Notice to the Association shall be in writing to the Community Manager and President of the Association's Board of Directors.

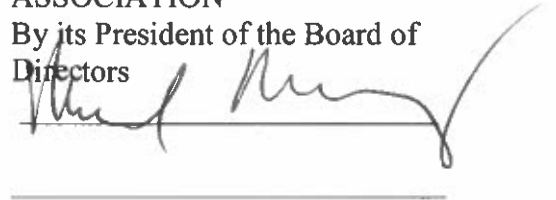
Notice to the District shall be to the Commissioners of the District and the District General Manager.

WHEREFORE, the parties have signed this Agreement on the date first written above.

WATERVILLE ESTATES
VILLAGE DISTRICT
By its Commissioners

Three handwritten signatures in black ink, each written over a horizontal line. The signatures are cursive and appear to be of the same person or related individuals.

WATERVILLE ESTATES
ASSOCIATION
By its President of the Board of
Directors

A handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to be of the same person or related individuals.