

Road Transfer Agreement

For good and valuable consideration that each party acknowledges receipt of in the formation of this Agreement, this Agreement dated this 19th day of January, 2007 is entered into by and between **THE MASONS ISLAND COMPANY**, a Connecticut corporation having its principal place of business in the Village of Mystic, Town of Stonington, County of New London and State of Connecticut (hereinafter referred to as "MICO") and the **MASON'S ISLAND PROPERTY OWNERS ASSOCIATION, INC.**, a Connecticut corporation having its principal place of business in the Village of Mystic, Town of Stonington, County of New London and State of Connecticut (hereinafter referred to as "MIPOA").

WHEREAS, MICO is the owner in fee simple of all roads, lanes, streets and various rights of way on the southern portion of Masons Island, located in the Village of Mystic, Town of Stonington, County of New London and State of Connecticut, which such roads, lanes, streets and rights of way are shown on the following maps or plans which are recorded on the Land Records of the Town of Stonington (hereinafter referred to as the "Roads"):

"COMPILATION MAP PRIVATE ROADS LOCATED WITHIN MASONS ISLAND FIRE DISTRICT MYSTIC-STONINGTON, CONNECTICUT DiCesare Bentley Engineers/Surveyors/Planners 100 Fort Hill Road Groton, CT 06340 PH (860) 448-0400 FX(860) 448-0899 WWW.DBENGINEERS.COM Date: February 3, 2006, Revision No. 1 6-8-06 Added Nauyaug Lane and East Forest Lane Scale: 1" = 100' Job No: 05-131 Sheet 1 of 4, Sheet 2 of 4, Sheet 3 of 4, Sheet 4 of 4"; and

WHEREAS, The Mason's Island Fire District, a municipal entity and taxing district (hereinafter referred to as "MIFD") located on Masons Island has previously contracted with MICO for the care, maintenance and improvement of the Roads; and

WHEREAS, MIPOA is the incorporated association of property owners located within MIFD and is desirous of taking ownership and responsibility for the care, maintenance and improvement of said Roads; and

WHEREAS, MIPOA and MICO have agreed that the transfer of ownership of the Roads from MICO to MIPOA is in the best interest of the Masons Island community.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. ROAD TRANSFER.

Fee simple ownership of all Roads as shown on the maps referenced above within the recognized boundaries of MIFD is being conveyed from MICO to MIPOA simultaneously with the execution of this Agreement (hereinafter called the "Transfer"). The Transfer is being accomplished by a quitclaim deed from MICO to MIPOA, being in the form and having the terms and conditions set forth in Exhibit A attached hereto and made a part hereof and is subject to certain terms and conditions referenced herein. The parties hereto acknowledge that they are

meaning to convey the following roads, lanes, streets and rights of way:

All of those certain pieces or parcels of land, being all of the private roads and "easement only" areas situated within the Masons Island Fire District, all as more particularly identified and shown on a certain maps or plans entitled:

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which maps or plans are on file, or to be filed, in the Town Clerk's Office in Stonington, Connecticut, to which reference may be had for a more particular description thereof.

Intending hereby to describe all of the private roadways and "easement only" areas, as shown on the maps and plans named above, as exist within the Masons Island Fire District as of the date hereof. Said Private Roadways and "Easement Only" areas are subject to certain Utility Easements in favor of Masons Island Company as shown on said maps and plans and all other easements and agreements as of record appear.

2. ROAD MAINTENANCE.

All Roads will be maintained at the same level or above in quality and accessibility as received by MIPOA on the date hereof. The parties recognize and agree that simultaneously with the execution of this Agreement MIPOA is entering into a long term agreement with MIFD for said MIFD to review and approve the maintenance, repair and improvement budget and to reimburse all approved items of maintenance, repair and improvement to the Roads as may be required from time to time. This Agreement is the "Road Maintenance Reimbursement Agreement" (hereafter "RMRA") a copy of which is attached hereto as Exhibit B and made a part hereof by reference. MIPOA further agrees that MICO shall be named as a third party beneficiary of the RMRA, with distinct rights of enforcement in the event that MIFD shall fail or neglect to make any required payments and MIPOA shall fail, neglect or refuse to enforce said RMRA after written demand and a reasonable time for performance given by MICO. MIPOA acknowledges its separate obligation to MICO with respect to the RMRA that is independent of performance by MIFD. Provided that MICO has not been required to exercise its rights to enforcement as a third party beneficiary of the RMRA for a period of twenty (20) years from the date of the first agreement between MIPOA and MIFD, the rights of MICO as a third party beneficiary shall automatically lapse and be of no further force or effect.

This ongoing requirement to repair, maintain and improve the Roads will include but not limit MIPOA to the following responsibilities:

A. WIDTHS. All existing roadway widths will be maintained as a minimum. Any widening of roadways will be within the portion of land owned by MIPOA by virtue of the Transfer. Any further widening will require the approval of any affected landowner(s). MIPOA shall not allow the erection of any obstructions, plantings, fencing, or placement of rocks or boulders that would in any way impede the existing width of any roadway.

B. CURBS & DRAINAGE. Existing curbs and drainage as of the transfer date will be functionally maintained. Additional curbs and drainage will be added as reasonably required to assure no degradation of the existing roadbeds. MICO makes no representation about the existence of written, recorded drainage easements for all current drainage facilities and improvements. The conveyance to MIPOA from MICO includes a conveyance of any and all appurtenant easements and rights of way as may be appurtenant to said Roads, and is subject to all easements and agreements as of record appear, whether said easements are by written agreement, reservation in a deed of conveyance, by reservation on a map or plan, by prescription, necessity or adverse use, intending hereby to include drainage, access and utility easements, as may exist, by way of example.

C. GUARD RAILS. Existing guardrails will be maintained to minimize potential off road excursions in dangerous areas. MIPOA assumes responsibility for any additional railing to be added if any additional safety areas are recognized.

D. SHOULDERS. A proper width of clearance will be maintained on both sides of all roadways as currently exists. This will be done through periodic clearing and mowing to assure both the safety and aesthetics of all roadways.

E. TREES. Tree growth will be kept to a level so as not to affect roadway passage. Trees falling on roadways will be moved on an emergency basis to the responsible property owner's land.

F. ROAD SURFACES. Potholes will be repaired as required and periodic paving and resurfacing of existing roads will be done to assure that their quality can sustain the existing level of usage.

G. SNOW REMOVAL & SANDING. A snow removal and sanding company will be employed by contract to insure proper passage of all roads at all times for both normal traffic and emergency vehicles (fire, police, ambulances, service providers, etc.).

H. ROAD CONDITION. Road surfaces will be swept of any sand or debris as soon as practical following the winter season.

I. SPEED BUMPS. Speed bumps will be installed where it has been determined that they are necessary to help control speed of vehicles.

J. ROAD SIGNS, STREET NAMES & PAINT. Road signs controlling speed, conditions, stops, hazards, children at play, etc will be placed and maintained at all times. Posts

indicating street names will be properly installed. Road surfaces will be painted for stop points at intersections, center lines where traffic is heavy and on speed bumps.

K. ENTRANCE. MICO shall clean up the Entrance Building located in the center of Mason's Island Road just north of Cormorant Road prior to the date of the Transfer. The Entrance Building will thereafter be maintained by MIPOA to allow the employment of traffic control personnel to control passage of vehicles and people.

L. RIPARIAN RIGHTS/RIGHT OF FIRST REFUSAL. The Transfer does not have any effect on the existing riparian rights between MICO and individual homeowners. MICO specifically retains ownership of all riparian rights not otherwise previously conveyed to individual homeowners. The quit-claim deed specifies this reservation of rights and will state that no other conveyance of any such rights is intended through the conveyance of title to the Roads. MICO reserves the right to own, construct and maintain the docks that may currently exist and be constructed in the future on any rights of way even if the rights of way have been conveyed to MIPOA. Simultaneously with the execution of this Agreement, MICO is granting to MIPOA, in the form and having the terms and conditions set forth in Exhibit C attached hereto and made a part hereof, a right of first refusal to acquire any of the other land of MICO, excluding single family building lots, that MICO may offer for sale to third parties, within MIPOA boundaries. Such right of first refusal includes all docks, riparian rights associated with each location, access ways and non-residential pieces or parcels of land. Said right contains commercially reasonable terms that do not unnecessarily restrict MICO's ability to sell its property but allow MIPOA a reasonable opportunity (including a period of not less than 60 days to respond to a notice) to acquire said property as may be offered for sale by MICO. Notice from MICO shall be written, shall specify the terms of the offer and shall provide a description of the property that is the subject of the offer. The right of first refusal shall not be recorded in the Stonington Land Records.

M. EXISTING RIGHTS OF WAY. Existing rights of way for the use of the Roads will not be affected by the Transfer. The quitclaim deed from MICO to MIPOA references that the conveyance is subject to all rights of way and easements or other rights of passage of record or otherwise to be granted by MICO. MICO reserves the right to grant any and all rights of way over said roads to any other party in the future that is an assignee of MICO or its successor in title to real property owned by MICO. MICO shall be obligated to give MIPOA written notice of its granting such right of way to a successor in title to MICO.

N. INSURANCE. An Insurance policy will be in effect to protect MIPOA and its members from any claims regarding the Roads and the ownership and use thereof. Said policy's provisions and coverages shall be similar to the following:

Liability Insurance.

(a) Liability Insurance, including medical payments insurance, shall be maintained in an amount determined by the MIPOA Board of Directors, but in no event less than \$5,000,000, covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with

the use, repair, maintenance, or replacement of the roadways.

3. FUTURE ROAD REQUIREMENTS

MICO agrees to convey to MIPOA all future roads constructed by MICO within the boundaries of MIPOA. Said conveyance shall occur and MIPOA shall accept said new roadways within a reasonable time once said new roadways are completed and certified by a professional engineer to be in compliance with the construction standards, specifications and any other requirements as applicable to the Town of Stonington Private Road Regulations in effect as of the date of approval, as may be amended from time to time. Nothing in this Agreement shall restrict the right of MICO to construct new roads that may connect into any of the existing Roads conveyed herein.

4. MANAGEMENT OF ROADS

Simultaneously with the execution of this Agreement, MIPOA and MICO are entering into a Management Agreement, a copy of which is attached hereto as Exhibit D, by which MICO shall serve as the general contractor for a period of at least three (3) years for the continued care, maintenance and improvement of the Roads to allow for a smooth transition of ownership between MICO and MIPOA. The parties herein agree that the Agreement between MIPOA and MIFD, the Road Maintenance Reimbursement Agreement ("RMRA") of even date herewith, continues the historic relationship whereby MIFD will review and approve the maintenance, repair and improvement budget, as set forth in the RMRA, for all approved expenses reasonably incurred in carrying out said Management Agreement. The obligation to enter into the Management Agreement and the obligation of MICO to perform the Road Transfer Agreement is contingent upon MIPOA entering into a long term agreement with MIFD, the RMRA, as set forth in Paragraph 2 above, which agreement shall be consistent in its duration, terms and conditions with the agreement between MIPOA and MICO.

5. ENFORCEMENT

If MIPOA is in default of any of its obligations hereunder, or in default of its obligations with regard to the RMRA, MICO shall have the right to give written notice of said default to MIPOA and if MIPOA has not cured said default within thirty (30) days of the date of said notice except for items of a seasonal nature which shall be cured within one hundred eighty (180) days of said notice, MICO shall have the right to cure said default on its own accord and shall further have the right to charge MIPOA with the reasonable costs and expenses incurred by MICO to cure said default. If the resolution of said default shall reasonably take a greater period of time than provided herein and provided that MIPOA has commenced the necessary steps to resolve said default, then said period to cure the default shall be extended for a reasonable time to complete the cure of said default. If any party hereto shall initiate any action to enforce any of the terms or obligations of the parties as contained herein, the successful party in such action shall be entitled to recover all of its costs and expenses including reasonable attorney fees and court costs.

6. MEMORIALIZATION OF AGREEMENT/EFFECTIVE DATE

MIPOA and MICO hereby agree that they will execute such other agreements as may be necessary to effectuate the covenants and agreements contained herein. All of the agreements and obligations herein that are to be continuing in nature shall survive the transfer of the Roads and shall continue to bind the parties.

7. ROADWAY ACCESS

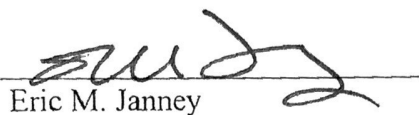
MIPOA herein agrees that it will not take any steps to impede or restrict the flow of reasonable vehicular traffic to Enders Island or to the Masons Island Yacht Club. MIPOA reserves the right to establish and enforce reasonable traffic safety rules. Nothing herein shall give MIPOA the right to limit reasonable bus traffic to and from Enders Island.

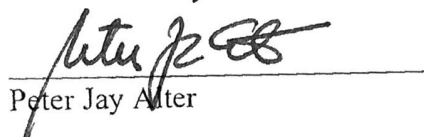
8. SECURITIZATION OF OBLIGATIONS

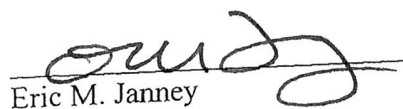
As a method of securing the performance of MIPOA in accordance with the Road Transfer Agreement and agreement with MIFD, MIPOA shall grant to MICO a mortgage, attached hereto and made a part hereof as Exhibit E, securing said performance obligation. Said mortgage shall encumber all of the property that MICO shall convey to MIPOA and shall contain reasonable notice, enforcement and prevailing party expense recovery provisions to insure that MIPOA shall be obliged to perform its obligations. The term of said mortgage shall be twenty (20) years from the date of transfer.

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Dated this 19th day of January, 2007 at Old Lyme, Connecticut.

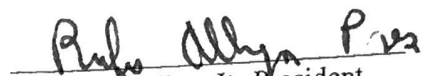

Eric M. Janney


Peter Jay Alter


Eric M. Janney


Peter Jay Alter

THE MASONS ISLAND COMPANY


By: Rufus Allyn, Its President,
duly authorized

MASON'S ISLAND PROPERTY
OWNERS ASSOCIATION, INC.

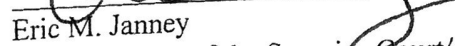

By: Linda V.W. Watkins, Its President
Duly Authorized

STATE OF CONNECTICUT
COUNTY OF NEW LONDON

)ss. Old Lyme

January 19, 2007

Personally appeared, **RUFUS ALLYN**, acting herein as President, duly authorized, of
THE MASONS ISLAND COMPANY, signer and sealer of the foregoing instrument and
acknowledged the same to be its and his free act and deed, before me.

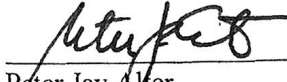

Eric M. Janney
Commissioner of the Superior Court/
Notary Public

STATE OF CONNECTICUT

COUNTY OF NEW LONDON

)ss. Old Lyme January 19, 2007

Personally appeared, **Linda V.W. Watkins** acting herein as President, duly authorized, of **MASON'S ISLAND PROPERTY OWNERS ASSOCIATION, INC.**, signer and sealer of the foregoing instrument and acknowledged the same to be its and his/her free act and deed, before me.



Peter Jay Aller
Commissioner of the Superior Court

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