APPENDIX D

To: Owners of Properties Served by the Bywater Way Road Maintenance Association

From: AD Hoc Road Paving Committee

Date: July 1, 2005

Re: Interest in paving of our roads

We have had a positive response regarding paving our roads. Of the residents who would benefit from road paving, about 60% agreed to share in the costs, with the balance declining to participate in funding, but agreeing to have the portion over their property paved if paid by others. Reasons for not participating when given include lack of their use of the roads as the lots are not developed, or personal financial position.

However, with this limited participation the costs rise proportionally, and some owners have indicated that they are not willing to pay much in excess of their individual share to support completion over property of others; this of course would lead to increasing the per lot cost still further.

With this in mind, as an alternative to all roads initially being paved, the committee believes a core road program may be more viable: willing owners will share in costs to pave the loop from the beginning of Bywater Way through Hidden Springs Drive back to Paradise Bay Road. This backbone section could then be tied into by any of the spur roads running to it by groups of owners fronting on these remaining roads.

We have had an experienced engineer advise us on the road surface and appropriate specifications for the asphalt and the installation. Generally, he concurs with the proposals of the three bidders for 2" of compressed asphalt over our existing road base, with 18"basalt shoulders. A one year warranty for repairs is included.

The total cost for the (2) miles of 18 ft. core roadway is ($150,000), including a (10%) contingency. This equates to ($2500)/ lot if all indicating a willingness to participate are in the program. Any remainders from the contingency will be refunded to participants at completion.

The contractors have also indicated that they are willing to do spur road portions at the same cost per square foot as the core roads provided that no additional mobilization is needed. It will be up to each group of owners to decide if and when they would like to extend the paving to their sections.

Please note that no change in road ownership, liability, or responsibility is intended to occur by the paving. We now each own the road easement through our property and we

jointly share responsibility and liability for their use. We have included an acknowledgement in that regard in the acceptance.

We would appreciate any comments on the above as soon as possible so that we can finalize plans with the selected contractor. You will be contacted by phone in the near term so that we can set up a time to collect your acceptance form and payment where appropriate. If all goes well we should be able to get the roads paved by this fall.

Thank you,

The Ad Hoc Roaders

Road Paving Commitment

_____ We agree to participate in the paving program to pave Bywater Way and Hidden Springs Drive for ($2500), which includes a contingency of (14%) whose remainder is refundable at completion. (Please make checks payable to_____).

_____ We do not wish to participate in the costs of the paving program, but agree to permit paving over those roads to be paved that cross our property.

_____ We acknowledge our individual and joint responsibility for the ownership and maintenance of the roads in our community and accept a paved surface in lieu of the gravel surface in our covenants.

Lot _____ Signed_____ Date_____