

## MEMORANDUM OF UNDERSTANDING

Between Forest Hills Owners Association (FHOA) and Forest Hills Condo Owners Association (FHCOA)

August 15, 1997

This Memorandum of Understanding (M.O.U.) covers 1) joint, cooperative usage of the clubhouse and recreation area, 2) the maintenance and repair of King Drive, west section, 3) Establishing a maintenance reserve fund for the clubhouse and recreation area and 4) replacing the "flawed" section 13 titled "Liability Insurance" in the original lease agreement. This agreement shall be in effect for a minimum of five (5) years or until both Boards amends this M.O.U.

### 1) CLUBHOUSE/RECREATION AREA USAGE AGREEMENT

A) Association's relationship – FHOA is the owner and lessor. FHCOA is the leasee and co-user, partner in activities.

B) Financial Support for Maintenance and Usage – Continue present plan, equal supports \$6.00 per unit per month for each Association. (May be adjusted per 3.c of this M.O.U. on agreement between FHOA and FHCOA.).

C) Clubhouse/Recreation Area Operating Organization – Committee of Six exists and will continue (Currently identified in the lease as the "Pool Rules Committee"). Three members from each Association now make up the Committee and the Chairman is elected by the Committee members. The committee is responsible to both Boards. Final approval and "check signing" is accomplished by FHOA, as Owner.

D) Joint Objective –

- i) Efficiently maintain facility for use by FHOA and FHCOA.
- ii) Determine and implement CONSTRUCTIVE IDEAS/WAYS of using the facility beyond current pool usage/activity and clubhouse rental to individual FHOA and FHCOA Unit Owners.

E) Implementation of additional facility usage-

- i) Notify Unit Owners in each Association via a Special Newsletter of increased usage efforts and ask that any and all ideas be communicated to Committee.
- ii) Committee shall organize the ideas into a proposed program of activities and Call for a joint meeting of the Boards to review and approve the plan.
- iii) The approved activities plan shall be submitted to all Unit Owners via a Special Newsletter for response.

iv) Selected activities shall be implemented as follows:

1) COST- No fee is required for clubhouse/area usage. A Fee to acquire equipment, etc., may be required and will be handled by that particular activity committee. If any participant is judged to have caused unnecessary damage/wear, necessary action to collect from Unit Owner shall be taken.

2) Co-Activity Chairmen shall be selected (One from each Association) and shall be responsible for supervising and conducting the activity.

3) Scheduling coordination shall be the responsibility of the co-chairmen and the committee of six in conjunction with the FHOA clubhouse rental person.

## **2) MAINTENANCE RESERVE FUND FOR CLUBHOUSE AND RECREATION AREA**

A) The current agreement between the FHOA and the FHCOA requires rebates to the Associations of any funds over four times the joint monthly dues at the end of May each calendar year.

B) With approval of this M.O.U., the FHOA and the FHCOA agree to establish a separate bank savings account for use in any future large repair/maintenance needs. All rebates shall be stopped until the account value reaches \$16, 000.00. The account shall be a joint FHOA-FHCOA account. Any rebates from the account shall be 140/228 to the FHOA and 88/228 to the FHCOA.

C) Adjustment, monthly FEE level – On completion of the 2.b objective, the Treasurers of both Associations shall review the facts and recommend a new fee consistent with eliminating and/or reducing any rebates.

## **3) MAINTENANCE/REPAIR AGREEMENT COVERING THE WEST SECTION OF KING DRIVE.**

A) Coverage Period – The maintenance/repair Agreement between FHOA and FHCOA is hereby extended from the current twenty (20) years to ninety-nine (99) years by approval of this M.O.U.

B) The King Drive area covered by the Agreement (SEE MAP) – The two main slabs next to the west walk. The north end limit is the Rosewall Drive and Forest Gate streets confluence. (Rosewall and Forest Gate are public streets). The south end is defined as shown on the map.

C) Club House Parking – (See Map) – The parking along south King Drive from the west end to even with the walk heading north toward the Club House shall be identified as being available for parking by members of both Associations (FHOA & FHCOA) for access to the Club House, swimming pool and tennis court recreation area. (See Map) In addition, one parking spot on the east side of west King Drive (See Map) shall be designated for limited, 20 minute parking. This spot may be then used for unloading and loading materials to be used during the rental period. FHOA agrees to support the repair and maintenance of the designated parking area on south King Drive in the cost ratio presented in 3.e.

D) Procedure for Repair Action –

- i) Call a joint Board Meeting initiated by either Association Board.
- ii) Define repairs required and approve, by motion, a request for bids.
- iii) Designated Board members shall acquire bids for work.
- iv) Select the winning bid at a called joint Board Meeting, Action shall be authorized by a motion approving the repair/maintenance.

E) Payment/Cost Sharing – Association cost sharing covering King drive maintenance shall be the same as currently used in the clubhouse/recreation area maintenance and usage. The FHOA shall pay 140/228 of the cost and the FHCOA shall pay 88/228 of the cost. Association cost sharing covering the designated parking area on south King Drive maintenance shall be as follows. The FHOA shall pay 88/228 of the cost and FHCOA shall pay 140/228 of the cost. Separate checks from each Association shall suffice.

**4) MODIFICATION OF THE LIABILITY INSURANCE REQUIREMENTS IN THE ORIGINAL LEASE AGREEMENT** --- Most Insurance Companies WILL NOT QUOTE on insurance coverage for the Forest Hills Owners Association after they read the section 13 “liability insurance” requirements in the current lease agreement with the FHCOA. Our current insurer, State Farm, is ignoring the problem. We may still be AT RISK if something happens requiring coverage. So, at the FHOA’s request, knowledgeable insurance people including underwriters have written a new section acceptable to the insurance industry, by approving this M.O.U. both Associations.

Agree to replace the original Section 13. of the lease agreement with the following section. ---

**13. LIABILITY INSURANCE---** Licensor shall, during the entire term, thereof, keep in full force and effect a policy of public liability and property damage insurance with respect to the use thereof by Licensor and Licensee, Licensor’s and Licensee’s unit owners, their guests or their invitees, in which the limits of public liability shall not be less than Five Hundred Thousand Dollars (\$500,000.00) per person and One Million Dollars (\$1,000,000.00) per occurrence and in which the property damage liability shall not be less than One Hundred Thousand Dollars (\$100,000.00). The policy shall name licensor as insured. All premiums for such insurance shall be paid by Licensor during the term of this agreement. All premiums paid by Licensor under this section are costs includable in Section 4 hereof for the purpose of determining fees.

Licensor hereby agrees and covenants to indemnify, save and keep harmless Licensee against any and all damages, actions, costs, expenses, charges, attorneys’ fees or other losses of any kind whatsoever occasioned by any act or neglect of Licensor or those claiming under Licensor, or arising out of any accident causing death or injury to any person whatsoever, or damage to any property whatsoever, resulting from the use of the Premises by Licensor, Licensor’s unit owners, their guests, or invitees, except those injuries or damages or losses resulting from structural defects in the building, swimming pool, or tennis court, or from Licensee’s own acts, whether willful or not, or Licensee’s neglect, or the acts, whether willful or not, Licensee’s members, their guests, or invitees.

The Licensee will name Licensor as Additional Insured on their public liability insurance with evidence of insurance furnished Licensor, and Insurer shall not cancel, change, or amend the Insurance without first giving Licensor ten (10) days prior written notice.

#### FHOA APPROVALS

James C King  
James King, President

Shirley Montgomery  
Shirley Montgomery, Vice-President

Harvey Higgins  
Harvey Higgins, Secretary

Arlene Kittinger  
Arlene Kittinger, Treasurer

Cheryl Fishbach  
Cheryl Fishbach, Member-at-Large

#### FHCOA APPROVALS

Ray Carnine  
Ray Carnine, President

Rosalyn Land  
Rosalyn Land, Treasurer

Mary Knoshaug  
Mary Knoshaug, Member-at-Large



KING STREET MARKET AGREEMENT

FOREST GATE

ROSEWELL

KING (NORTH)

FHOF  
200  
BLDG

ENCLOSED  
AREA  
COVERED  
BY  
AGREEMENT

MAIN  
SLABS

DESIGNATED  
20 MINUTE  
PARKING  
FOR UNLOADING  
& LOADING

FHOF  
400  
BLDG

KING  
(WEST)

KING (SOUTH)

DESIGNATED 40 /