

Lake Linganore Association, Inc.
April 7, 2008
Board of Directors Meeting Minutes

CALL TO ORDER

The meeting was called to order at 7 p.m. at the LLA Coldstream Drive office.

Board members present: John Allemang, Robert Charles, Jim DiMeglio, Brandon Frazier, Stephen Hembree, and Brian Jacobs.

BoD absent: Mark Paxton.

Staff in attendance: GM Edwards, CRM Gurley.

APPROVAL of March 17, 2008 BoD MINUTES

The minutes of the March 17, 2008 regular board meeting were reviewed and approved with the corrections noted below:

Pg. 2- Ben's Branch Easement-fourth sentence should read: Director Hembree discussed his concerns about leaving the language as presented, noting that the '02 document was suppose to stand as the language for all future documents as it was discussed by LLA, county and LLCs attorneys and he strongly recommended it not be altered.

Pg. 2-Acceptance of Woodridge Improvements-third sentence should read: With regard to the Woodridge IV construction and the condition of the road's top coat, Director Hembree said that the letter from John Clarke was not the response from Land Stewards that the board was told was coming but that it was moving the issue in the direction he wanted though the letter does not address everything.

DEVELOPER'S REPORT

Director DiMeglio said that the DRRA petition was to go before the Frederick Board of County Commissioners (BoCC) again for a final proof. He said in the near future the BoCC will vote to approve or not to approve to accept the petition. He added that as the revisions have gone along, none of the parts affecting the LLA have changed. Director DiMeglio said that other sections of the development that Land Stewards is working on continue to go through the county process. He said a May 14 hearing on the new Woodridge section was scheduled.

Some discussion on the county's requests for Eaglehead Drive from Rt. 144 to Woodridge Road took place. The question of whether the county would require that Eaglehead Drive be designed/built to two or four lanes was reviewed. Directors expressed hope that the county would make all requirements for a two-lane road.

CDA UPDATE

It was reported that grading in Coldstream was scheduled to begin in two days. GM Edwards said that the conversation with Verizon went well and that it would be cheaper for the LLA to put the conduit in the ground. GM Edwards reviewed some of the problems but said that it was not as bad as some had thought.

Lake Linganore Conservation Society (LLCS) secretary Charlotte Dusold reported that the LLCS was still working on Pinehurst CDA bid prequalification information with the county's purchasing department. She noted that some reworking of construction contract was in progress and that DUSWM director Mike Marschner was considering separating the Nightingale portion of the project from the larger contract in order to allow smaller contractors to bid on it.

GM Edwards noted that part of Edgewood Road will be getting new water and sewer lines so the county will be cutting into the road.

OLD BUSINESS

Aspen North CDA— Aspen North CDA Committee chairperson MJ Minton told the board that after reviewing the budget with the bond counsel and with Keenan Rice that the sale amount of the bonds will not be enough to cover the costs of the CDA project for that village. She said several things would have to be done in order to make the original amount of the CDA bond stretch to cover the costs, which have increased during the year due to many economic reasons. She said that in order for the project to move forward at this time the contingency fund for the project would have to be reduced to 25 percent from 35 percent and that the debt service of \$650,000 would have to come from either the land owners or the LLA. She added that the land owners likely would not be able to come up with that amount of money and asked if the LLA could get a letter of credit for this amount. She said that if the LLA could do this it was more likely that the Board of County Commissioners would grant an extension of the CDA and if not it was likely that the Aspen North CDA would die. She asked whether a loan from the Maryland Department of the Environment (MDE) would be possible for this project as it was for the Villages of Linganore CDA.

GM Edwards said that a letter of credit and a line of credit were two different things. Director Frazier explained that a letter of credit would require that the LLA put the full cash amount of \$650,000 up for the letter of credit, which because of the ongoing

Villages of Linganore CDA work the LLA did not have nor could it qualify for any additional loans to secure the Aspen North project at this time. GM Edwards said that he supported the project but he had become very concerned about the project at this time because even after speaking to one of the financial advisors for the project there are serious concerns that the bonds would sell in the ongoing national credit crisis.

The board reviewed how much the LLA had already spent on the project, which amounted to \$65,000. In addition there is an unpaid legal bill that the law firm has been holding onto that totals \$43,000. Director Frazier said that under the CDA process the legal bill would be paid upon sale of the bonds. Director Frazier said that his greatest concern was that by undertaking the letter of credit the LLA would be changing the concept of its involvement, as originally agreed to, from one of advancing funds and then being reimbursed to the LLA paying for the cost of the CDA.

Ms. Minton asked if the LLA could take this action in another year. Director Frazier explained that the \$650,000 would be locked up if committed to the Aspen North CDA and that the LLA would be facing the potential financial shortfalls related to the Pinehurst and Nightingale CDA. He said the LLA would need to hold onto the line of credit funds it has until the Pinehurst/Nightingale CDA is bid.

Director Jacobs asked about the original reasoning behind the LLA's involvement in the Aspen North CDA. Director DiMeglio explained that originally the LLA agreed to get involved by providing seed money for the effort but that the obligation was to fall to the home owners, with a ceiling of \$35,000 for LLA costs. LLCS' Charlotte Dusold suggested that Ms. Minton talk to Doug Browning, former Frederick County treasurer and county manager, about what county issues will be with the current situation, what possibilities may exist and what likely outcomes may be. Director Frazier commented that the Aspen North CDA was a very speculative matter at this time and that he did not think the board could justify it to the membership as a whole.

MOTION: Director Charles made a motion to deny the request for a \$650,000 letter of credit by the LLA for the Aspen North CDA. Director Jacobs seconded the motion.

VOTE: four of the directors voted in favor of the motion; one director voted against the motion (Hembree); one director (DiMeglio) abstained from the vote.

Ms. Minton asked the board what the Aspen North home owners should do at this time because she feared that the BoCC will not extend the CDA because all the "ducks are not in a row". Director Jacobs suggested that when she writes to the BoCC she note the LLA contribution of more than \$100,000 so far although it cannot contribute the additional \$650,000. The general consensus about the accrued expenses of \$43,000 was to allow the current budget to "play out" this year.

NEW BUSINESS

Coldstream Village Committee Request for Conducting a Farmer's Market—

Director Frazier said that he had received an email from Coldstream Village Committee chairperson Sandy Reed about the village conducting a farmer's market in the Coldstream Pool parking lot area on Tuesday afternoons. The board asked staff to work out the details with the committee on the activity. GM Edwards said that he had some specific concerns that he wanted to review with the committee. The board said it wanted a final document for the board to sign off on.

Governing Documents Violations—

• **Lot#150014**— Violation: Failure to keep property clear of animal feces. Fine: \$100. The board had heard a case from the same property owner for the same violation in late winter. The directors decided to incorporate into the language of the violation notice that recurrence of the same violation within a 12 month period would automatically warrant a fine. **MOTION:** Director Charles made a motion to impose the fine and include the language regarding recurrence of the same violation within a 12-month period would automatically warrant a fine. Director Allemang seconded the motion. **VOTE:** six of the directors voted in favor of the motion; none of the directors voted against the motion.

• **Lot #040061**— Violation: Failure to have working lamp post. Fine: \$100. Director Allemang asked if staff had heard from the homeowner. Balmoral Village Committee chairperson Bill Dean said that the matter of a working lamp post had been discussed among a number of the residents there and he said that some home owners had received past ECC approvals. Director Frazier said that he was reluctant to fine if past inspections had okayed things. Director Charles said that safety was the issue and that it was not the goal to impose fines but to gain compliance. Director Jacobs said that he believed the covenants on this matter were out of date and that the lights did not believe that the low-wattage requirements contributed much to safety. Director Hembree said that the issue was being enforced in new homes and that past sins were being corrected. Director Frazier said that rather than fining residents on this matter that the LLA should send a notice that the covenant was now being enforced and give residents six months to get the lights installed. GM Edwards said that staff gets criticized for not citing homes that do not have a lamp post. Director Hembree said that everything staff does reinforces the covenants.

MOTION: Director Hembree made a motion to approve staff recommendation to impose the fine. Director Charles seconded the motion. **VOTE:** five of the directors voted in favor of the motion; one director (Frazier) voted against the motion.

• **Lot #130354**— Violation: Failure to have a working lamp post. Fine: \$100. **MOTION:** Director Charles made a motion to impose the fine. Director Allemang seconded the motion. **VOTE:** five of the directors voted in favor of the motion; one director (Frazier) voted against the motion.

• **Lot #090085**— Violation: Unkempt yard, storing unlicensed vehicle. Fine: \$100.
MOTION: Director Allemang made a motion to impose the fine but immediately suspend it and to include in the language of the notice that any notification of this same violation within the next 12 months will incur an automatic fine. Director Hembree seconded the motion. **VOTE:** six of the directors voted in favor of the motion; none of the directors voted against the motion.

RESIDENT FORUM

No one had signed up to address the board.

ADJOURNMENT

Director Charles made a motion to adjourn the meeting. Director Hembree seconded the motion. The meeting was adjourned at 9:30 p.m.

Respectfully Submitted,

Clay Edwards
LLA General Manager

John Allemang
LLA Secretary