

**Lake Linganore Association, Inc.**  
**September 15, 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 were: John Allemang, James Arieno, James Cates, Jim DiMeglio, Alan Dinkelacker, Stephen Ekanger and Tom Roland.

Staff in attendance: GM Edwards, CRM Gurley.

**APPROVAL of July 7, 2008 BoD MINUTES**

Minutes of the July 7, 2008 regular board meeting were amended as noted below and approved by a vote of 5-0-1 (abstention-Dinkelacker) in favor of approving the minutes:

- Under Developer's Report- fourth line: should read- resource conservation zoning instead of rural conservation.

**DEVELOPER'S REPORT**

Director DiMeglio reported that the New Market Region Plan (NMRP) has been approved with many acres of Land Stewards land down-zoned, which he described as being a significant impact to the company's plans. He said he was not certain that Land Stewards intended to make a legal challenge to the county on the matter. Director DiMeglio said that Land Stewards did record the easements on the land/lots in Aspen that back up to Eaglehead Drive so that building on those lots will be allowed. He also noted that the improvement plan on Aspen IV was approved recently. He said that Land Stewards would let LLA staff and directors know its intentions as soon as possible. He reminded everyone that the problems with the county were not the only ones that Land Stewards was facing at this time and noted that the housing market decline was also having a great impact on the company's decisions. Director DiMeglio said that the outlook for Land Stewards in Eaglehead was not good.

**CDA UPDATE**

No report.

## COMMITTEE REPORTS

•**Environmental Control Committee**— AGM Seligson, administrator. GM Edwards reported that the summer months were slow for the ECC.

•**Finance Committee**— Director Allemang, chair. Director Allemang said that there was a full page of variances and noted that each of the items listed on that page were as a result of unexpected occurrences. He said GM Edwards and staff were doing a great job of keeping the finances under budget.

•**Communications Committee**— Karen Frazier, chair. No report.

•**Trailblazers Committee** —Katrinka Westendorf and Kathy Murtaugh, co-chairs. Chairperson Westendorf reported that the Trailblazers had its monthly work session this past Saturday. It worked in Pinehurst on a section of the Lake Anita Louise Trail that runs on the west side of the creek from the “bowl” down to the lake. A large part of it was totally overgrown and some areas were almost inaccessible. There were several trees down across the trail. Volunteers cut and removed the fallen trees from the path, weed-whacked the trail bed and pruned back vegetation overhanging and encroaching on the trail. Trail users will immediately notice the improvement. The committee will spend the October work session (Oct. 11) working on the part of the trail that runs along the east side of the creek. It is also very overgrown. If there is any time left the group may move on to the Pinehurst Lake Trail. She invited all who have an interest in the trails to join in. More details were to be reported in the October LakeTalk.

•**Events Committee**— CRM Gurley. CRM Gurley reported that the final pool party was a big success. She said that various entertainers were hired for the party and that all of that went over very well with the audience.

•**Election Committee**— Mary Roland, chair. Mrs. Roland reported that the election committee was planning to meet with village committee chairperson to develop a strategy for recruiting candidates for the board election in May 2009.

•**Friends of the Lake Committee**— Mike Mumma, chair. No report.

•**Community Youth Services Committee**— Ms. Rogers has moved from Eaglehead and will no longer chair this committee.

## VILLAGE REPORTS

•**Aspen Village**— Kathy Brown, chairperson. Mrs. Brown reported that no major concern was before the village except for the future of Aspen as related to Land Stewards building activity.

•**Aspen North Village**— MJ Minton, CDA chair. Ms. Minton told the board that she had been talking with village lot owners about the special assessment of \$1500 that was charged this year to residents. She said the money would allow the village to pay for engineering work for the coming year. She noted that the CDA bonds for the village had not yet been sold and said the committee has three years to do so. She said the committee hopes to sell the bonds next year or it will have to assess another \$1500 to keep work going. Ms. Minton told the board that the lot owners there were counting on being able to work with Land Stewards for the water pump station so as to keep their individual costs down. She said if the lot owners can't cost share with Land Stewards that the committee planned to approach the county about the same. Director DiMeglio said that there was enough development potential within the nearby area to support a pump state.

•**Audubon Condos** — Clagett Management- no report.

•**Balmoral Village** — Bill Dean, chair. Mr. Dean said it had been a slow summer in the village, even though some water and sewer construction work had begun. He noted that watering of the roads has been implemented to control dust.

•**Coldstream Village** — Lisa Martinis, chair. No report.

•**Lake Anita Louise TH**— *no committee at this time.*

•**Meadows Village** — Jerry Dorsey, chair. No report.

•**Nightingale Village** — Stephen Hembree, chair. Mr. Hembree thanked the staff for the work on the goose relocation. He said the beaches were in better shape and more enjoyable as a result. He said that his village committee wanted to encourage the board and staff to budget funds for providing more security on the beaches. He asked about the status of the Nightingale CDA. GM Edwards said that the matter was hung up in the county, as was the Pinehurst CDA. He added that because the preliminary work for the county's water and sewer project was taking so long the LLCs was interested in splitting its project away from the county's and proceeding with a bid notification.

•**Pinehurst Village** —Guy Reese, chair. No report.

•**Summerfield Village** — June Cates, chair. No report.

•**Westwinds Village** — *no committee at this time.*

•**Woodridge Village** — *no committee at this time.*

## **NEW BUSINESS**

**Westwinds Proposal to LLA Re: Covenant Enforcement**— GM Edwards provided to the new directors the background on this matter between the LLA and the WW HOA,

which has been ongoing since 2004. He said that the LLA board stopped pursuing the matter because it was costing a significant amount of money in legal fees and was not making any progress. He said that recently he had met with current WW HOA board president Matt Bernota and touched on some ways for the two associations to get around the problems but added that he would not recommend that the board take any other action other than to get a signature of the WW HOA on the amendment drafted by LLA attorney Shelah Lynn in 2005 and try to keep the legal fees down.

Mr. Bernota said that the WW HOA wanted a third party lawyer to review the amendment proposed by Ms. Lynn. Mr. Edwards said that would be acceptable.

Resident Mike McGowan and Bob Chelsea addressed the board and explained that the two boards of directors used to work things out without lawyers and encourage the LLA board to sit down with WW directors to work out a solution to the problem. Mr. Edwards explained that an earlier attempt to side-step the legal concerns of the LLA had been unsuccessful.

The LLA directors and WW representatives agreed to hold a public workshop at 9 .m. on Saturday, September 27 at the LLA office on the matter. Former board president Brandon Frazier recommended that the board ask Ms. Lynn to attend the Sept. 27 workshop.

**Westwinds Golf Club Sale**— Director Ekanger said the golf club was for sale at a price of \$1.7 million. Director Cates said that as of the day of the board meeting there was a good offer on the table regarding the course. Brian Duncan of Tyler Donegan, which is building the townhouses in Westwinds on the 14<sup>th</sup> green/tee, said he had shown the course to four different potential buyers in the past week and that he thought at least one showed promise.

Director Ekanger said that he got involved with the matter because WW residents wanted to be involved in the matter as a way to secure their home values. He said there are three options for the overall scenario: private equity option; county ownership option; and, LLA involvement. Director Ekanger said the county does have some money to put toward the purchase of such a facility and that county officials he spoke to are investigating the feasibility. As for LLA involvement, he said that Fairway Advisers has been asked whether it was interested in donating the land to the LLA. He said the following scenarios, including LLA involvement, are possibilities:

- Option 1— lease-back, a long-term agreement in which the LLA would make a small lease payment annually, which would allow the community to hold onto the course until financial times allowed a viable purchase
- Option 2— LLA purchase, operate with existing members plus solicit new members to get roughly 282 members paying a monthly fee of \$165 that would produce a slight annual profit that could be placed in reserve funds to offset future years' shortfalls or potential long-term capital improvements.

- Option 3— LLA purchase, maintain private club status and provide essentially free play to all LLA members for the offsetting increase in HOA dues to all homeowners. These are average HOA increases based on the rough numbers for total LLA homes. In reality certain villages would pay slightly more HOA dues than the average because HOA dues are based on the assessed value of your home. This option would increase on average every HOA member dues by approximately \$17.80 per month. This is an increase to HOA dues but for a small amount relative to the value it provides to the community at large.
- Option 4— LLA purchase, and provide free play to all LLA members but open the course to outside members on a limited play basis. This option would increase on average every HOA members' dues by approximately \$10.76 per month. This is an increase to HOA dues but at a small amount relative to the value of the homes in the community at large.
- Option 5— LLA purchase, and charge all LLA members a monthly fee to play the course. The monthly rate for play would mitigate the risk exposure to any operating loss assumed by LLA members and most likely produce a breakeven operation at the assumed membership levels.
- Option 6— LLA purchase, and charge a tiered level of membership for existing members, outside members, seniors and reduced membership fee for LLA homeowners. This option would produce an operating profit that would be put into a reserve fund for the purpose of ongoing capital improvements.
- Option 7— Request existing owner to donate land to LLA for a tax write-off. LLA owners could potentially pay a small fee through increased HOA fees to play for free or a structured membership fee could be assigned to cover operating & capital costs similar to options 2-6 depending on viability.
- Option 8— A private equity investment that would potentially keep the golf course either private or semi-private for use but not owned by LLA as an additional asset.
- Option 9— WW homeowners are also engaged in the potential for purchase of the course around private homeowners and members within the Westwinds community. If purchased by Westwinds independent of any other arrangement the course would remain, potentially, private.
- Option 10— Frederick County could purchase the course and turn it into a public facility.

Director Dinkelacker said that before the LLA could consider anything it needed a feasibility study. Director Roland said his gut reaction is that the LLA cannot afford to purchase the course and said he would want a good business case to present to LLA members on the matter.

A Westwinds resident said there is good, strong backing from members of the course to keep the club going, as a private course, and that there is good, strong backing from the residents of WW to take some action to preserve the course.

Former LLA board member Andrew Twillman said that he could provide the LLA with the name of a good financial advisor who works with HOAs on buying golf courses, and that this person may be willing to run it for the association. He noted that the total cost of a feasibility study by this person would be no more than \$5,000.

**MOTION:** Director Roland made a motion to allow Tyler Donegan to continue its search for a buyer but that the LLA set aside an amount not to exceed \$7,500 to begin a feasibility study on the matter of an LLA purchase of the golf course and club house. Director Ekanger seconded the motion. **VOTE:** five of the directors voted in favor of the motion; none of the directors voted against the motion; one director (Cates) abstained from the vote.

**Addendum to Acceptance of Improvements for Woodridge Village**— GM Edwards said that the original information packet on this acceptance did not include a signature sheet and that this was simply to put before the board for an official signature sheet to the original document. **MOTION:** Director Cates made a motion to accept the addendum. Director Roland seconded the motion. **VOTE:** six of the directors approved the motion; none of the directors voted against the motion; one director (DiMeglio) abstained from the vote.

**Change in LLA BoD Meeting Schedule**— the board decided to conduct one regular board a month on the first Monday of the month and to set aside the third Monday of the month for board workshops.

**Village Committee Meetings**— Director Dinkelacker said that all village committees are to meet regularly according to a general policy adopted by the board of directors in 1996.

## **MATTERS FOR BOARD INFORMATION**

**Procedures for CDA Line of Credit**— GM Edwards said that he wanted to make certain that the directors had the background information about the subject so that they would understand that the funds are being used properly.

**USGS Watershed Survey**— information from the county discussion and the county commissioner approval of the cost sharing plan for conducting the survey study, which includes a bathymetric study of Lake Langanore (attached to minutes), were presented to directors to review for their information.

**RESIDENT FORUM**

No one signed up to speak.

**ADJOURNMENT**

Director Roland made a motion to adjourn the meeting. Director Cates seconded the motion. The meeting was adjourned at 9 p.m.