

CHAPEL GROVE HOMEOWNER'S ASSOCIATION

Minutes of the Board Meeting

July 26, 2006

The Board of Directors of Chapel Grove Homeowner's Association met at the Crofton Library on Wednesday, July 26, 2006.

Present were:

Doug Zander – President
Nancy Gossard – Vice President
Louella Bressler - Secretary
Byron Malogrides – Treasurer

Paul Stearns – Architectural Review Committee Chair
Josh Mahoney – Landscape Committee
Danielle Mahoney – Communications Committee
John Kilgore - Pool Committee
Terry Whitehead – Security Committee

Kerrie Wilson – ProCom Management Agent
Gregory Alexandrides – Alexandrides & Associates
Jerry Przchniewski – ProCom Supervisor
Larry Burgoon – Winchester Homes – Land Development
Rose Brett – Winchester Homes
Gail Kramer – Recording Secretary
Seven additional homeowners

Absent:

Patty King – Member-at-Large
Randy Buckley – Member-at-Large
Mike Miller – Member-at-Large

CALL TO ORDER

Doug Zander called the meeting to order at 6:33 p.m. Introductions were made.

MINUTES REVIEW

Doug reported the Board received the June meeting minutes and had the opportunity to review them. Byron Malogrides motioned to approve the minutes as written. Louella seconded the motion. There was no additional discussion and the minutes were unanimously approved as written.

WINCHESTER HOMES UPDATE

Doug stated the Board invited Larry Burgoon of Winchester Homes to the meeting to discuss outstanding items on the Board's docket and to give him the opportunity to address the 16 discussion points the Board submitted to him. The following discussion occurred:

- The Board asked the status of the bonds, specifically what has been released to the county and the date of release. The Board also asked what the process is and timeline for future releases around the community. The Board and Mr. Burgoon reviewed a spreadsheet the Board submitted to Winchester with 16 key points and included Winchester's responses as of July 26th. Mr. Burgoon said the spreadsheet listed current bonds and their projected release dates but he did not have the list of bonds that had been released to the county. Doug reiterated Mr. Burgoon's response that the spreadsheet showed only what was pending release and asked if he had information on released bonds as the Board had requested. Mr. Burgoon said he did not have the information. Doug asked Mr. Burgoon if it was something that could be followed up on and documentation provided so the Board knows what has been released. Mr. Burgoon said yes. Terry Whitehead said she spoke to an Anne Arundel County official and she was told Seneca has been turned over to the county. Mr. Burgoon said all of section one has been turned over to the county. He reported Section 1 is the first 47 single family homes and the only thing outstanding is an entry sign permit that shows inactive, but not a bond. Winchester Homes may need to call for an inspection to get it released.

Mr. Burgoon stated the site grading bond for Phase 1 Section 1 is still outstanding because production trailers were located on one of the lots. In Anne Arundel County a grading permit must remain current until every lot is built out even though they've been stabilized and had the requisite inspections the county will not release the bond until the last house is completed.

He further stated all bonds have been released in Section 2 except site grading. All of the inspections have been conducted and it is due to be released imminently. Doug asked if the Section 2 area he was referring to was behind Jostaberry. Mr. Burgoon said it is the initial group of town homes. There is a specimen tree bond hanging out. A landscape screening bond is tied to site grading. Doug asked if anyone else on the Board was aware of any other tree bonds except for the large tree over off of Killarney the Board recently became aware of. Doug then asked Mr. Burgoon if there are only two tree bonds or if there are numerous tree bonds out there.

Mr. Burgoon said there are specimen trees and noted there is a bond for a maple tree in Section 2 and for the beech tree in Section 3. He said they were the only two specific tree bonds. Doug asked if there were any issues with the maple tree bond and noted there are problems with the beech tree and that it may need to be taken down. Mr. Burgoon noted Kerrie met with Bartlett tree service and they recommended removing the tree because it can not be saved. Mr. Burgoon stated their tree bond with the county requires them to replace a dead tree with a replacement using a formula that is a 34 inch diameter beech tree would need to replace it with an equivalent total diameter largest commercially available diameter tree of the same species. If it were a 36 inch tree three twelve inch trees would be acceptable if a 36 inch tree isn't available. Doug questioned where the trees would go if a 34 inch replacement tree is not available. Mr. Burgoon said Winchester Homes would certainly be willing to work with the Board on a plan but assumed they would go in the same general area adjacent to the tot lot in the open space. Doug noted that space was about as large as the library's meeting room. Kerrie asked if Mr. Burgoon concurred with Bartlett's recommendation to take the tree down. He said it is not

up to him to concur it's up to the county forester and he will be contacted to determine if the tree must come down. Kerrie asked him if Winchester Homes (WH) will contact the county. Mr. Burgoon said yes. He also explained inspections are part of the process to get a bond released.

Kerrie said the other tree recommendation from Bartlett concerning the other tot lot is to put supports between the splits. Mr. Burgoon was asked if that is something else Winchester Homes will be doing, it will go before the county and whether WH will be moving forward on that issue. Mr. Burgoon said it should be run before the county for their recommendation, Byron asked if the tree is a danger to the community. Mr. Burgoon stated he looked at the tree and a lot of the limbs still have growth on them. In a heavy wind storm or a lightening storm he could not say if the tree is a danger and noted the arborist did recommend it come down. Byron asked if that is a factor in the decision of the county to react to any proposal Chapel Grove made or WH made. Mr. Burgoon said he was sure it did but noted he is not an arborist. Byron said it is a huge tree rotting from the inside near the playground which is not going to work. He said unless the county understands that human life can be in danger they're not going to move forward. Mr. Burgoon asked Byron if he would be willing to work with WH and the county on the issue. Byron said he would be willing to work with WH and the county as would the landscape committee.

Mr. Burgoon stated the utilities bonds have been released. A maintenance bond is hanging out there because normally a maintenance bond hangs out until usually a year after the county has released the utility bond. Performance labor and material bonds will be released any day but the maintenance bond will stay.

He also stated site grading bond should be released next month. Doug asked if site grading associated with Section 3 deals with the numerous times WH has come in to get grading behind town homes squared away so that it doesn't have standing water. He noted he saw grading workers recently out there working the slope next to the beech tree because of standing water behind the homes there. He asked if the site grading Mr. Burgoon was referring to was the previous town homes in Section 2 grading issues that have been raised over the past couple of years and the grading issues behind Killarney in Section 3. Doug asked if the county has accepted all of the grading bonds and is ready to release them. Mr. Burgoon said yes. Doug asked if the area continues to have perceived or actual standing water problems or drainage problems, what kind of action can the association see or expect to see from WH. He noted it has been 2+ years of working to get the area on Jostaberry graded properly. Additionally Doug asked if WH will provide follow on grading. He noted it is the uphill side of both sets of town homes he is referring to. Mr. Burgoon said he was not the person to speak to concerning the issue; the production department of WH would be the ones to address the issue with. Doug asked if the site problems that are not just independent on one town home but because each family didn't raise the issue or hasn't had it rectified individually, but there's more than one problem, if that means each homeowner has to go through Winchester not as a collective grading issue. Mr. Burgoon said he was not aware of any problems in the area Doug referenced because he is in Land Development. To his knowledge a French drain system was installed. He advised homeowners to contact the call center with those issues. Doug said there have been numerous responses and complaints from the homeowners on the upper side of the town homes on Jostaberry and on Killarney where their homes back up to a hillside. They have a slight slope away and then it goes to the hillside. All of those back yards that start from the top to the number two and number eight to the fifteen are always wet; sopping wet to the point

homeowners can't walk through their backyards. He went on to state part of the answer recently was the French drain that was recently put in. His question is whether longer term problems are going to be turned over to each individual homeowner to address these issues when it seems to be a systemic lot grading or site development plan that would have been something that could have been addressed as a collective whole instead of telling each individual homeowner to address it. He noted if one is fixed it may make the next one worse. He noted the Board has been hearing about grading issues from homeowners for some time. He asked Mr. Burgoon what the next step is to ensure WH is addressing it collectively so the association doesn't have 40 homeowners addressing it one on one.

Mr. Burgoon asked for those presents if they have the problem. Terry Whitehead said she was part of the walkthrough last October and it was clearly stated there were issues with drainage then and it would be fixed before the bond was turned over. Terry said she has a point of contact for drainage and swales in the county and could provide the name to the Board. Doug said the Board would appreciate receiving the information. Mr. Burgoon stated he would respond to specific issues. Josh asked if there have been any complaints since the French drain has been installed. No one knew.

Doug said the issue has been raised because the Board has wanted to discuss it for months and noted the problems have gone on for months. Only recently did WH take the significant step of putting the French drain in but questioned whether the drain rectified the problem. He also stated the Board was asking where the issue stands and that a week and a half before the meeting they were still cutting in the new slope in the affected area. Doug said he was trying to put out that he doesn't think the problem is rectified and is not so sure the association as a whole wants to turn the problem over to each individual homeowner for them to deal with WH when it seems to be a systemic development problem. Not just one house is affected. Doug asked Mr. Burgoon to put the association in touch with the right person if he is not the one. He also said it seems to be a problem that was from the onset based on elevation changes from the site development plan.

Mr. Burgoon responded by stating normally each homeowner knows they have a warranty and they should contact the call center when they have a problem and they could expect a response. He said he would assume that if there is still a problem that hasn't been addressed WH will note the information and somebody will respond to it. He also stated if the call center gets more than one phone call they're obviously going to check it out. He said the problem was news to him because it was his understanding that the drainage problems were fixed but acknowledged the group is saying it may or may not have been fixed. A resident said if a problem is on the common area she would not call the center because she would assume Winchester was taking care of it. Mr. Burgoon said if residents have a concern they should call the HOA. Another resident said he has a problem with drainage on Wannetta Court which backs up to Seneca and when there is any kind of rain he has standing water. Terry said she has called the call center and the HOA. She explained there is a drainage issue if 24 hours after it rains there is still standing water. Doug said the HOA owes WH a more thorough understanding of where the problems exist today and acknowledged the French drain installation behind the town homes by WH the HOA needs to revisit the issue so everyone understands where the problems exist. He acknowledged Terry's point concerning the amount of water that goes through some of the yards and does not know if specific sites have been documented and questioned whether it is on common area or personal property. Another resident of Wannetta Court said Winchester said they re-graded and said they did everything they could but the problem still exists. Mr. Burgoon stated he it was his understanding the issue raised by the

resident of Wanneta Court had been investigated and responded to and thinks the problem is that some homeowners built fences which blocked the flow of water. Byron asked Mr. Burgoon who the HOA should contact concerning these issues and noted the only way to appreciate the issue is to walk the land after it rains. He further stated that standing in ankle deep water makes an impression as does mulch washed away and piled up in a neighbor's yard. Larry will have someone from WH contact Kerrie Wilson or Doug.

Doug said because the Board asked for which bonds have been released to date and did not get the information from Mr. Burgoon the Board does not have a baseline at this point on what has been released. The Board has not been brought in when the walkthroughs occurred and if they were it was hit and miss. He also noted they weren't well documented and wasn't well carried forth from Board to Board about what has been completed. There hasn't been anything in writing that the pool has been turned over but noted when he and Mr. Burgoon spoke he was informed the pool has been turned over. The Board wants a firmer grasp on what has been turned over and if there are any short term windows that the Board needs to address areas of concern with. He noted once they are turned over he believes there is some duration that is ongoing before it is turned back over completely to the county. Rose Brett said there is a one year warranty that goes back to Winchester. Doug said outside of that one year warranty it goes back to the county or it goes to the individual homeowner or to the association. Rose said yes or if there is a warranty by the sub-contractor. Doug said those are the kinds of things the association is lacking today and is hoping to see in the bond release, i.e. what has been released, what are the dates of those releases. He said many things can be done in six months and noted one bond expires in three months and that the association may have already missed an opportunity on some of the other things. Doug asked Mr. Burgoon if the HOA can request the information from him. Mr. Burgoon said yes.

Doug reviewed the second discussion point; "What sections and associated dates have been turned over to the HOA? What is the process for future handoff and acceptance by the HOA?". Mr. Burgoon said Sections 5 & 6 remains and that Sections 1, 2, 3 and 4 have been turned over. Mr. Burgoon also stated said he went back to look at documentation and has attached formal turnover letters for the first four sections. Kerrie said she received the information in the mail on the day of the meeting and included the information in the Board packets. Doug said the process for future handoff will be for WH to work specifically with the management company so that they're made aware and then the Board will make sure the right people from the Board are set up to do a concurrent walkthrough for awareness. He noted Mr. Burgoon led him to believe the bond release is from WH to the county and the HOA doesn't really have a dog in that fight. Mr. Burgoon said that was correct and that most counties want to deal with the developer. Larry said the developer is required to produce to their expectations so the bonds are like public works (inaudible comment). Doug asked if it would be fair to say that any future WH walkthroughs with the county the management company will be made aware of it and the HOA can have a follow up with someone from WH so the Board is aware of challenges or outstanding issues. Larry said no, that he didn't think the Board needs to be involved to that extent on public works bonds. They have permits that have to meet county standards. He said the HOA needs to be aware of it when WH is going to send a turnover letter. Then there will be an inspection where they will walk the site. Doug said he didn't have a problem with that and noted up to this point the issue has been very opaque. Terry Whitehead said the association needs to be actively involved in the process. Rose Brett said the process

would still work if the HOA went back to the county and if the county had a problem with it they would come out and fix it. She said the association's recourse is always with the county on public roads.

- Doug said which trees are under warranty and when they'll be turned over had already been addressed earlier in the meeting. He asked Mr. Burgoon if it's only the beech and maple tree under warranty. Mr. Burgoon said no, those are the only trees WH has a bond on with the county. The common area trees have a one year warranty when turned over exclusive of lack of maintenance or damage. Doug asked Mr. Burgoon to help him understand that better and noted there are about 40+ dead trees around the community dead with many of them dead since Spring and Star Stella is in the process of turning over and there are dead trees there and many other places across the community. He went on to state the association is being old to wait until the fall to replace the trees and questioned Mr. Burgoon's statement that they will be turned over to the county, be viable and then there is a one year warranty. Mr. Burgoon said when the county releases and accepts the public works bond it includes street trees. A maintenance bond is then posted for one year after the public works bond is released and it is to cover street trees or damage to paving. At the end of that period the county will take another look and require replacement of the trees before the maintenance bond is released. Doug asked if the county would require WH to replace them before they accept them. Mr. Burgoon said yes, before they release the bond. Doug asked if the trees are supposed to be alive during the acceptance walkthrough. Mr. Burgoon said absolutely. Doug noted when the county did the walkthrough there were dead trees and now that WH is getting ready to turn over more of the community the HOA is under a one year warranty but the dead trees existed prior to the county walkthrough, still exist and we're waiting for a year or down the road until they will be replaced.

Mr. Burgoon said Section 4 is a pretty large section and there has been building on it for a long time so street trees were planted at different times. Ultimately it will be when the county walkthrough is done that all the street trees up to shape. He noted the time to plant street trees is spring or fall. He further stated normally at final bond release they would replace any dead street trees. The county would require them to do that. Mr. Burgoon also stated Section 4 is the only one with dead street trees. Josh Mahoney asked what the timeframe would be for replacing the trees. Mr. Burgoon said it will be this fall. Section 2 is town homes and there really are no street trees; they're all common area trees. Section 3 is town homes and there are no street trees because the streets are private. Section 1 was the released some years ago so Section 4 is the only street tree area of concern. Terry said WH and the HOA was notified of the problem at the first HOA meeting and the trees are still dead whether they're on common area or are street trees. Terry said they followed the process on Sections 1 and 2 and the dead trees never got replaced. She further stated she walked the property with the WH Vice President and he promised to replace some trees before the bond was released and they're still not replaced. She questioned what process was mixed and noted if the Board doesn't get a solid plan now there won't be a plan. Mr. Burgoon responded by stating dead trees were replaced in Section 1. Two residents said they were not replaced. Terry said there has been documentation of dead trees.

Mr. Burgoon said street trees are located within county right away and belong to the county. The county will not maintain them but will come out and cut down dead trees after the one year period. The developer is required to maintain the trees from acceptance up to one year afterwards. Josh asked what the one year period is and going forward can WH get documentation to the management company so Josh knows when the one year is going to expire so he can track the trees. Doug said it comes down to

having the knowledge that the bond release is the start of the one year window. The timetable begins when they are accepted by the county and turned over to a one year bond the trees are supposed to be alive. During that period of time the Board won't expect WH to come out to replace one tree at a time but on the date of the bond release the trees should be alive. From that point the HOA has 365 days to the end of the one year for any additional dead trees to be replaced before the bond will be released from the county. Doug again stated that bond release knowledge is imperative and that the Board still does not have the historical knowledge of what bonds were released when.

- Mr. Burgoon provided Section 4 maintenance bond projected release dates.
- Mr. Burgoon noted no maintenance bond has been posted yet for Section 5 because it has not been surface paved. During a review of documents Doug asked if it was fair to say where it says "street construction" "maintenance" that is the date it is going to be turned over to the county. Mr. Burgoon said typically. There were no additional questions on bonds. Doug noted not all of the issues would be rectified at the meeting but the Board had many points they wanted to discuss so they are annotated, what the plan will be and then moved forward on.
- Mr. Burgoon asked if the Board prefers having the dead trees in Section 4 cut down now. Doug said he didn't have a problem cutting them down because the dead ones look very bad. He cautioned against cutting the trees down and then disregarding them by never having them replaced. Nancy recommended removing the dead trees before they fall over. Doug asked if WH anticipates turning over Section 4 prior to the one year turnover will be sometime this fall. And then it will still be one more year from there to have one more chance to get the trees replaced. Mr. Burgoon said yes. It was decided that the Board and the landscape committee would work with David Morck and their landscape contractor on determining which trees should be flagged for removal. There was also a brief discussion about notifying homeowners that the trees will be taken down and providing a time estimate for when they will be replaced. Doug noted the management has the addresses of the trees and with Josh's and the management's coordination a letter will be sent to homeowners. Mr. Burgoon said the trees would be replaced in September or October.
- Doug noted the Board wanted to address the lack of a watering plan by the Winchester run Board that destroyed the grass around pool area and how did the association get into that predicament. The HOA is now has budgeted to get an irrigation system put in and now is irrigating crab grass and weeds. Doug said Rose Brett was there as were others in the room when a watering plan was supposedly put into place. David Morck was up at the pool on several occasions and said that the watering plan wasn't being executed and that people weren't showing up to water. He further noted the HOA is where it is now on the issue because it wasn't a priority with the Winchester run Board. The rest of the community is now saying that area is a central common focus area, looks poor and questioned what would be done. Doug noted the Board has taken action to fix the problem now but feels there is a fair amount of onus on the Winchester run Board for not setting the HOA up for success.

Mr. Burgoon said he has not seen any dead grass in that area and hasn't seen anything that some weed killer and fertilizer can't fix. Terry Whitehead noted he is seeing weeds not grass. Mr. Burgoon responded by stating his landscaper didn't see anything that can't be treated. Josh said the HOA is now budgeting to have the area treated for weeds and aerated and over seeded in an attempt to grow grass. Josh also noted Pro Lawns just re-graded and reseeded the hill. He noted there are a lot of weeds out there and the area is green because weeds are green. Mr. Burgoon said the area is not dead. Josh noted the area was originally sodded and because of no irrigation system or a watering plan being executed the sod died off and weeds came in. Larry noted the area was turned over in May of 2005 and questioned

what maintenance the HOA has done since that time. Doug said the Winchester run Board turned over in November. Byron noted representation began in November but didn't get turned over until the first of the year once the seven year window ran out. Doug said the HOA is in the first year of taking care of it and has been lucky with the amount of rain there has been and has budgeted and is having an irrigation system installed all within the first six months of the Board dealing with the problem. With WH turning it over to the HOA without having an in place watering plan, without having taken care of it to provide the HOA with a smooth transition good grassy area in a very visible community area that he thinks Winchester would be concerned with based on the fact potential homebuyers have to drive right past it to buy the houses in the back, is that the HOA is taking care of the area at its cost because they care about it. What the Board is trying to say is the preparation and procedure up to when the Winchester run Board was turned over was zero, there was no plan in any capacity. The Board is asking if there is something Winchester can do to help revive the area be it by providing sod, financial compensation, etc., the Board would like to have that discussion based on the fact the area is a direct result of decisions made by the Winchester run Board. Rose Brett said WH would take the issue into consideration and asked if the Board wanted money to help with irrigation. She further stated there was no money in the HOA budget for watering.

Byron said the association is enhancing the community but also enhancing the appearance of the community in which Winchester is still trying to sell homes. He noted it is a two way street and asked WH to work with the association. Rose said there was no line item for watering grass in the budget at the pool site. Doug asked who helped build that annual budget and provided guidance on what should be done and then making those decisions. Rose said WH and the management company. Doug noted it wasn't the current Board and it wasn't he and Nancy when they first came onto the Board. The current Board is already moving forward and would like to open the dialogue with Winchester. Doug said he wasn't sure if they wanted to talk sod or a financial contribution but it is coming out of the HOA's pocket to revitalize the area and is asking WH what they can do to help. He noted a solution may not be determined that evening but acknowledged Rose's word that WH would take the issue under consideration. He also said he hopes WH homes sees that it is very important issue to the HOA otherwise the decision to invest in an irrigation system would not have been made. The current Board made it a point to find money in the budget and it will be included for maintenance in the future. Kerrie asked Rose if the Board should send an official request to WH asking for their consideration on the issue. Rose said yes.

- Doug noted another issue of concern is a vent at the pool. The vent allowed snow to enter venting system and Winchester Homes was being asked to extend the warranty on the venting system to cover potential problems caused by snow. The Board requested an action plan to fix the vent system to stop the same situation from occurring again. Doug noted the fan motors may be affected, i.e. corrosion, rust, etc. Mr. Burgoon said he would ask one of the air conditioner contractors to take a look at vent and suggested putting screening over the vent. Doug stated screening would not block snow from gaining entry and suggested installing another type of venting so it doesn't occur again. Terry Whitehead noted the vent issue was on the punch list from the first year. Doug and Mr. Burgoon agreed to work together on the issue offline.
- Doug reported WH was asked when the Chapel Grove entrance sign will be installed on Killarney Terrace entrance. Mr. Burgoon reported the sign will match the entrance sign at Strawberry Lake and the item is currently under contract for construction. The sign will be installed in the fall. Rose noted Anne Arundel County is not allowing the Winchester Homes logo on entrance signs anymore. Doug

said the only large scale marking for the community will be at the primary entrance on Waugh Chapel. Mr. Burgoon also noted there will be no fencing associated with the sign.

- Doug also noted the Board asked about curb work performed by WH in the town homes that was not completely performed. Doug noted there were cars blocking damaged curb sections when the work was performed so those sections were skipped. Doug noted there wasn't a towing policy in place at that time so vehicles could not be towed and blocked the work. The Board requested that the curbs in those sections be finished. Larry said he would like the Board to designate someone to inspect the area with David Morck to make sure all missed areas are noted. He also stated Winchester will inspect and replace any damaged curb not previously replaced.
- Doug reported the Board asked WH to reimburse the HOA for plumbing cost associated with the water fountain at the pool. Winchester will pay for it because it wasn't right from the onset.
- Doug also noted the Board asked for an explanation concerning a Winchester run Board vote to not have Winchester pay for lots still held by WH after the 75% occupancy was met. Doug said the governing documentation that was originally presented to the Chapel Grove HOA stated that the declarant (Winchester) would pay 25% of the monthly rate homeowners were paying for lots that weren't occupied. Rose said that was revised and removed before any homeowners settled. Doug said the Board's question was if that was the governing document that came in and if it was something WH was going to change from the onset, why not change it before giving to the association even if it's Winchester run. Rose stated it was amended November 7, 2001 before any homeowner settlements. Doug said it looked like it was a year and a half later by looking at the documents. Rose said that's the date of the declaration and that's only because the county requires the declaration so early. She said she thought the declaration was in 1998 before any sales were started. Doug said in hindsight it's like having the fox guarding the henhouse and that WH didn't want to pay it down the road so a change was made to the documentation once it is in place. Rose said it is a VA/FHA requirement that the declarant pay 25%. When WH determined they weren't going to go VA/FHA the declarant was not required to pay assessments on lots owned. Winchester's written response to the Board states the following:

“The original HOA Declaration had VA/FHA language. Winchester Homes Sales Department eventually determined that they would not be offering VA/FHA financing as house prices would be too high. Since VA/FHA financing was not offered, the Declarant was not required to pay assessments on lots owned. Section 5.3 of the Declaration was not revised and it obligates the Declarant to fund deficits which it did agree to do in addition to covering certain landscape maintenance costs. In 2001, the Declarant provided a check to the HOA in the amount of \$2,000 for start-up funding. There have been no deficits since that date. Normal and customary increases in homeowner assessments were built into the budget to cover anticipated cost increases.”

- Doug asked if there is a plan to install some type of sign in front of the community pool. Mr. Burgoon said yes and that it would have the brick columns with a sign that stating “Chapel Grove Pool”. The sign will look exactly like one of the secondary entrance signs. He also stated the sign is in the permitting stage now and would most likely be installed in the fall upon receipt of the permit. There was some discussion concerning what style the sign should be, i.e., whether it should be a community bulletin board. There were those for the idea and those against. Mr. Burgoon stated WH would be willing to work with the HOA on providing whatever style of sign the community wants and asked the Board to provide him their ideas. The communications committee was tasked with investigation options and

providing recommendations to the Board. Mr. Burgoon asked if he should stop the process on the sign. Doug said no.

- Winchester was also asked if they intend to put in plantings along the new path between the pool and the town homes. Josh noted the plats don't specify one way or another. Mr. Burgoon said there will not be any plantings.
- The Board also asked for the dates of remaining tot lots and recreational areas still planned for installation around the community. Mr. Burgoon stated there are two exercise stations and a trail that will be built in Section 5. He also noted a copy of the recreation facilities plan with the county was given to Chambers Management. Kerrie said the document may be in the materials provided to ProCom from Chambers Management.

Doug reported they had covered the key points the Board wanted to discuss with Winchester and invited the Board to ask Mr. Burgoon any additional questions they may have. The following issues were raised:

- Byron said there are some dead trees in areas that have been turned over that are presenting big problems in common areas to adjoining real estate or just falling in place and asked how the association goes about getting the problems corrected. He said the trees are in reforestation areas. Mr. Burgoon responded by stating if the trees are in forest conservation areas the issue would need to be addressed with the county. A homeowner stated there are dead trees in the conservation areas behind his home and one tree has an X on it. Kerrie said trees on Tilghman have been marked by ProCom and the vegetation form required by the county has been filled out and submitted to the county. Once approval from the county is received the HOA has the authority to take down the trees. Josh acknowledged the concern and encouraged homeowners to contact Kerrie with the location of similar trees. He also noted the HOA has to pay for the removal of the trees because they are on common areas.

Mr. Burgoon stated permits do not allow access into designated conservation areas. It was noted the bridge in the creek area is in a conservation area. Josh asked Mr. Burgoon if Winchester would consider looking at five or six trees in the reforestation area before it is turned over to the HOA. He suggested taking a proactive role by following the county guidelines and then going into the area and removing dead trees before homes are built if the county gives authorization. Byron asked Mr. Burgoon if the county takes dead tree issues into consideration before during the final walkthrough before the bond is released. Mr. Burgoon reiterated that the county does not allow access into designated conservation areas. Josh said if there are already dead trees WH should go through the process with the county to have the trees removed before the area is turned over so the HOA doesn't have to come in later and take care of the problem including the expense. Doug stated the county process should be investigated and that the Board has a responsibility as a Board to take a proactive role even in a forestation area to take down a tree that's endangering private property. If the HOA doesn't take action and the tree falls on private property the property owner can hold the association responsible for damages. Nancy said the HOA can not go in and take down a tree. Doug summarized Josh by stating if the HOA is responsible for all of the areas today then the area should be investigated for dead trees and the process to remove the trees should be started. He noted to take down a tree once a home and fences are built will be three times the cost of removing the tree before the area is developed. Doug said if it's something that falls to the HOA's responsibility because it's the community's property, asking WH to go into an area that is prohibited from the start and then asking them to get an exception to the rules so they can go in there doesn't provide them any value, any responsibility or any duty to do so.

- Kerrie noted David Morck agreed to add more landscaping stones around a storm water management pond to make it more aesthetically pleasing by rounding off the landscape and adding buffer trees. She asked Mr. Burgoon if WH is committed to adding stones. Mr. Burgoon said yes but he would like someone to provide exact specifications for the request. Paul Stearns said he spoke to Mr. Morck concerning the issue and noted the original installation was a really bad job with no thought as to how the stones were going to be laid. Mr. Burgoon said WH has agreed to improve the area. Paul expressed his frustration with Winchester's customer service department by noting he called them in April and has never heard back from them. He reminded Mr. Burgoon that WH is in a relationship with Chapel Grove and that it's still being built. He also noted he doesn't have much confidence in WH loyalty program based on all of the problems he has had with the company.

The owner of 1526 Star Stella said she got a call WH asking for her suggestions for improving the area around the storm water management pond. Kerrie noted Mr. Morck agreed to round off the stone, add buffer trees and investigate moving trees back. Mr. Burgoon agreed to the request and noted the county sediment control inspector and geotechnical inspector both made recommendations on how to stabilize the slope. Mr. Burgoon also stated he agreed the aesthetics could be improved.

There being no additional items for discussion concerning Winchester Homes Doug thanked Mr. Burgoon and Rose Brett for attending the meeting and said the Board would be in touch. At this point the WH representatives left the meeting.

There was discussion amongst the group concerning Winchester. A resident noted the Board would be well served to document all dealings with WH in writing. Another resident stated the meeting was a waste of time and thought it was inexcusable that Mr. Burgoon did not have the information the Board requested. Doug noted the Board is working hard to maintain and facilitate a working relationship with Winchester and noted there is much work to be done. Nancy said it doesn't serve any purpose to be adversarial. Doug noted he appreciated the efforts of all of the committees.

A resident stated he thinks it is unacceptable that Winchester built houses in front of dead trees and then the HOA has to pay to have them removed later when they knowing built a house in front of a visibly dead tree. Doug said it was a well taken point and asked Josh to take the lead on dead trees in conservation areas. He also noted nobody said WH isn't allowed to pay to take down dead trees. Paul asked what the recourse would be if the county is signing off on dead trees. Josh said he would work on the issue.

TREASURER'S REPORT

Byron provided the following report:

- Community Association Bank (CAB) currently at \$165,166, of which \$54,000 will go into capital reserves.
- All paperwork to take monies out of various banking institutions and put into SmithBarney account has been completed.
- A money market account matures on August 7th and will be closed and moved over to SmithBarney.
- The association has a fidelity bond but it only protects the association up to \$25,000 which is not enough when there is \$360,000 in the bank. A fidelity bond protection should at least match or

exceed bank funds. ProCom was asked to get fidelity bond bids. They received a bid from the current carrier and one bid from a new carrier. Bids were received for a \$500,000 bond that will cover five members of the Board at a cost of \$589 per year for the premium. Principals and one alternate Board member will get coverage. Byron recommended increasing the fidelity bond to \$500,000. Louella asked what the cost would be to cover two additional Board members. Jerry said the carrier will only cover five Board members and it is for whoever has access to money. Nancy motioned to authorize the purchase of a \$500,000 fidelity bond. Louella second the motion. There was no additional discussion. The motion was unanimously approved. It was noted the fidelity bond calls out Board members by position not name. ProCom will proceed with the necessary paperwork.

ATTORNEY COMMENTS

Doug thanked Gregory Alexandrides for attending the meeting and asked for his comments concerning the discussion with Winchester and challenges Chapel Grove may face. Mr. Alexandrides stated it is always very important to document any deficiencies within the association and to memorialize the issue in writing so it can be referenced back to, i.e., letters of notice to the builders concerning tree and landscaping issues. That way the association has documented the issue with Winchester and they have been put on notice in the event the association has to proceed in the future.

PROCOM REPORT

Kerrie provided the following management report:

1. Transfers of Ownership

745 Seneca – Adebavo & Abisola Elabanjo - \$888,595

1105 Tolman – Denise & James Gannon - \$755,000

1209 Steuben – William Frazee & Belinda Horstkamp - \$854,860

2. Projects Completed/Underway

ACC Committee – Recommendations and Minutes

Landscape – Bartlett Tree Expert report re: beech and red maple

Pool e-mail re: steps and status of invoice

Winchester Homes (WH) – Discussion Points

Notes from June 27th walk-thru with David Morck

Picture of landscape stones to be “rounded off” by WH

General e-mail

3. General Matters

E-mail from: 1526 Star Stella, common trees adjacent to property line

E-mail re: SmithBarney

E-mail confirming audit is on www.condocerts.com

Response letter re: workout facilities

Two letters re: ACC appeal

Six letters re: ACC denial

4. The Board met in executive session immediately following the adjournment of the open session of the Board meeting.

Kerrie provided Byron with paperwork which required his signature. Louella noted there were more delinquencies this month in the management report and questioned whether the switch from Chambers Management to ProCom has resulted in additional delinquencies. Kerrie stated to the best of her knowledge the transfer is going well and noted she has not received many calls concerning account questions but has received a few e-mails concerning direct debit accounts but those problems have been rectified. Jerry said there are more delinquencies because it is the summer. Kerrie said she was not aware of the association's delinquency history and why homeowners are not paying but noted as far as she knows it is not due to accounting.

COMMITTEE REPORTS

ARCHITECTURAL REVIEW COMMITTEE

Paul Stearns provided the following information:

- The committee met and reviewed 24 requests this month and would like the Board to accept its recommendations. (The Board reviewed the requests in executive session.)
- The committee also worked on a proposed checklist for homeowners. The checklist is being created as a tool for homeowners because applications are often missing information. Kerrie will send the checklist to the Board for their review. Once the checklist is approved the committee would like to have the communications committee post the checklist on the website.
- Wrote template letters, i.e., the appeal of architectural changes letter, would like letters sent with approvals because it provides additional information. The Board and Gregory Alexandrides will review the letters to determine if they are acceptable templates.
- The committee will now meet the second Thursday of the month. The next meeting will be held August 10th at 6:00 p.m. Danielle Mahoney was asked to post the information on the association's website. Paul also noted applications are due the Monday before the meeting.

COMMUNICATIONS COMMITTEE

Danielle Mahoney reported the new website is up and running but noted it is still a work in progress. Committee chairs were asked to e-mail her any information they would like posted on the site. Danielle also noted there is a polling feature available on the site and that the latest newsletter went out.

SOCIAL COMMITTEE

Doug reported Jay Duckworth was unable to attend the meeting but addressed the following issues on his behalf:

- The pool social was cancelled due to inclement weather. Pool social was cancelled. The social will be rescheduled for August 5th or the 19th. The committee is looking for an alternate site in the event of inclement weather. Nancy suggested including a line on the post card announcing the social that if there is inclement weather the event will not be held. Danielle said the website was updated with the information. It was also noted that everyone who rsvp'd for the event received an e-mail announcing its cancellation. Nancy suggested compiling a community e-mail list. Kerrie said she has done it for other communities.
- The committee is planning a Labor Day family event and a chili kickoff in September or October.

Doug said the Board has been talking about erecting some type of sign that would announce community events and cancellations when necessary. The Board has been discussing the issue for a few months. Doug asked the communications committee to consider the issue as a priority and provide options to the Board for signage ideas. The goal is to better communicate with the community. Doug also noted the newsletter was superb, included a lot of great information and thanked Danielle for her work. He would also like to see a couple of additional ways to keep the community informed.

LANDSCAPE CHAIR

Josh Mahoney reported:

- The new irrigation system will be installed next week. Ms. Utility was on site to mark utility locations.
- There is a problem with the irrigation system up front. He is working with Complete to rectify the problem. He noted a transformer is out again and that one zone is staying on all the time. The front of the community is not being watered at this time due to the problems with the system. There was a brief discussion concerning the fact the system is four years old and has had problems but when it is working the system works fine. Josh will work with the irrigation company on the issues.
- Byron noted the association is charged strictly for water consumption and not sewage for the irrigation system. He also stated a new meter will need to be installed for the new irrigation system around the pool and the county will require some paperwork. Josh will talk with Complete concerning the issue. Byron thinks the water at the pool house is on the same program as the irrigation system.

POOL COMMITTEE

John Kilgore provided the following information:

- Pool operations are fine. Swimming lessons started on the day of the meeting. Kerrie said a mailing announcing the lessons went out on the same day.
- The committee is also looking into purchasing a storage unit for pool the cover. Doug asked John to coordinate with Paul Stearns to make sure the unit falls within the guidelines and then discuss it with the Board. It was noted Rubbermaid type containers are not allowed.
- Kerrie reviewed an e-mail from Dan Kessel concerning the pool steps. Doug said the Board wants a statement in writing from Dan Kessel that his company will come back once the pool is drained to

fix the damage to the pool steps by sanding them down. The Board authorized Kerrie to pay the invoice once that statement is received in writing.

COVENANTS RE-WRITE

Paul Stearns noted Greg Potter volunteered to lead the effort to rewrite the covenants. Greg provided the following information:

- He currently has one volunteer from the single family homes and one from the town homes to assist in the effort. Additional volunteers are needed.
- Working on incremental adjustments on issues that are within the various single family homes or town homes that are the most problematic rather than rewriting the whole document at once. Covenant information from other communities will be used as a guideline.
- His goal is to have the final iteration of the re-write by the end of the year. Doug thanked him for his efforts.

PARKING COMMITTEE

The Board authorized Kerrie to mail a draft letter she included in the Board packets to town home owners concerning the parking survey results.

SECURITY

Byron provided the following information:

- The Board activated the security committee which will be chaired by Ricky Kwak. Terry Whitehead will serve as a member of the committee and Byron will be the Board liaison.
- Terry is taking the initiative to try to get Chapel Grove involved with other HOA's in the area, i.e. Crofton, Gambrills and Odenton for the purpose of staying connected concerning community issues.
- The county police office on 170 has a program where communities meet to exchange ideas and to inform residents what is going on in the respective communities. Terry will be Chapel Grove's representative at these meetings.
- The committee is in its infancy right now but the goal is to develop a community network to find out if there are trends we should be aware of and start to get a prevention program of some sort to counteract whatever the issues are. ProCom has not received any crime reports but a couple of homeowners have said their cars have been broken into. The committee will keep the community informed of any such issues.

ADJOURNMENT

Byron motioned to adjourn the meeting at 8:39 p.m. Nancy seconded the motion. Doug asked residents to raise any concerns in advance of the meetings so the Board can be prepared to discuss the issue. The motion was unanimously approved.

Chapel Grove HOA Board Meeting

July 26, 2006

Page 16 of 16

Approved by: _____
President

Date: _____

Submitted by Gail Kramer/Recording Secretary on August 2, 2006 to Kerrie Wilson at ProCom

gailkramer@comcast.net