

Memorandum

To: Board of Directors FLECA
Brian Rogers, President
John Nickel, Vice-President
Simone Seym-Nickell, Vice-President
Sonia Rickman, Treasurer
Gayle Brooks, Secretary

From: Brian Rogers, President

Date: May 27, 2008

Subject: Agenda Member Meeting 04/29/08 (alternate 05/01)

- 1) **Annual Meeting of the Membership:** The Annual Meeting of the Members will be held on Tuesday, April 29, 2008 from 7:00 p.m. until 9:00 p.m. in the Council Chambers of Rockville City Hall, 111 Maryland Avenue, Rockville, MD. |

Quorum to hold meeting.

- 2) **Next Open Board of Directors Meeting:** 5/27/08 from 7:00 p.m. to 9:00 p.m. in the Blue Crab Conference Room located in Rockville City Hall, 111 Maryland Avenue, Rockville, MD.
 - a) A minimum of two (2) such meetings are required per year. (Bylaws, Art VI, Sec 1)
 - b) Elected Board will schedule subsequent meeting dates and locations. Board will elect officers at the 5/27/08 meeting.

May Meeting for new board – Blue Crab Room as been reserved.

- 3) Sign-off on Meeting Minutes from 3/25/08 Board Meeting: **Done.**
- 4) **Announcement of Nominating Committee** for 2008-2009 to serve from the close of the 4/29/08 (or 5/1/08) annual meeting until the close of the next annual meeting in 2009 to nominate for election of members of Board of Directors at the next member meeting in May of 2009. (Bylaws Article V). No volunteers came forward. Nominating Committee will be established at later date.

- 5) **Nomination and Election of Directors:**

Yifan Chen (2425 McCormick Road)
Bing Bing Deng (2441 McCormick Road)
Paul Lee (2326 McCormick Road)
Tim Mathias (2455 McCormick Road)
Brian Rogers (2314 McCormick Road)

- 6) **Financial Report** from the Treasurer, Sonia Rickman
 - a) Cash
 - b) Reserves: **\$10,068.00**
 - c) Budget
 - d) Annual Personal Property Tax Return (Brian)
 - e) Tax Returns - Federal and State
 - f) Improved interest rate on CD (SunTrust) from previous 2.76% to 5.20% APY by changing the term of the CD from 6 months to 11 months. No projected short-term need for the funds. Next roll-over, July 3, 2008.
 - g) Received all due assessments from previous board members and committee members for under-paid dues.

- 7) **Presentation by City Representative relating to water meter replacement:** Beginning Saturday, May 3; city-wide initiative due to age of meters.

- 8) **Updated By-Laws:** Request made by Lois Stoner for update. Existing by-laws from attorney file may be used with only minimal modification. May be cheaper than modifying current community by-laws.

Legal Issues

- 9) Board hired Jeffrey Van Grack as attorney for HOA (4/10/08). Board has submitted and received answers to questions related to interpretation of controlling documents and applicable law.

LERCH, EARLY & BREWER, CHTD
Suite 460
3 Bethesda Metro Center
Bethesda, MD 20814-5367
Phone 301-657-0159
FAX 301-347-1538
jvangrack@lerchearly.com

Introduction of Jeffrey Van Grack, who has represented community associations for the past thirty years; available as needed.

Hand-out contains our questions and the text portion of Mr. Van Grack's response. Links to the response are:

<http://www.flintledge.com/Van%20Grack%204-23-08%20Correspondence.pdf>

<http://www.flintledge.com/Van%20Grack%204-23-08%20CorrespondenceNoExhibits.pdf>

Question:

What is the expected cost of hiring a reserve professional?

Mr. Van Grack stated that it would depend on the information available. Will need to establish costs related to sidewalks before accurate assessment may be obtained.

Question for member vote:

Motion: The HOA shall hire a reserve professional to provide guidance on the adequacy of available monies and reserves to make future repairs on the community property. Mr. Van Grack states in his response that "*The Board of Directors has a fiduciary duty and good business practices warrant assurances that the Association has adequate monies or reserve to make future repairs*" and I believe we should take his advice on this issue.

Unanimous member vote authorized up to \$2000 be spent on hiring reserve professional.

10) Resident Agent of the corporation hired 8/28/07 to replace Cliff Blondes. (\$99/year)

Incorp Services, Inc.
3155 E. Patrick Lane, Suite 1
Las Vegas, NV 89120-3481
Phone 702-866-2500
FAX 702-866-2689
<http://incorpservices.com>
Federal ID# 88-0402940

Incorp has the HOA address of Brian Rogers as a contact. Needless to say, should Brian Rogers no longer serve on the Board of Directors then a substitute needs to be communicated to Incorp.

Mr. Van Grack pointed out that Cliff Blondes is still the Resident Agent of record.

Brian will contact Incorp and get them to correct their status.

10) **Sidewalk and Curbs:**

Board has spent considerable time evaluating the needs and costs of repairing the townhome area HOA sidewalks. The concise evaluation of what sidewalks are on HOA property versus on homeowner property, unfortunately, requires the hiring of a surveyor at an estimated cost of \$4000 - \$8000. To eliminate the need for a surveyor, it is possible to continue as we have done historically and repair the sidewalks running parallel to pavement, as well as the branches leading to multiple entrances. There is no question that the HOA owns the sidewalks leading to and surrounding the tot lot area. Needless to say, the narrow sidewalks leading to the individual residences would not be repaired by the HOA since they are the responsibility of the homeowners to whose home the sidewalk provides sole access. The Board contemplates working with individual homeowners to request that needed repairs be accomplished on their sidewalks simultaneously with the additional cost being paid by the homeowner at what is hoped to be a reduced rate since the contractor will already be on site.

- a) The repair of the sidewalks and curbs will be the next large capital expense for the HOA and the approximate cost will need to be established before the hiring of a reserve professional, as recommended by Attorney Van Grack.
- b) After receiving the reserve professional's report, the Board will report back to the HOA membership about its plans to go forward with the sidewalk and curb repairs.

Community interested in estimates with a common sense approach.

11) Bee Infestation of Tot Lot

- a) Lorraine Robins reported a bee infestation of the tot lot area. The bees did not seem to be aggressive, but were quite numerous and were occupying the tot lot so as to prevent its use. The opinion of the exterminator (Infestation Control, Inc.) was that that the bees were potentially dangerous to children who might accidentally injure one of the bees or disturb their living quarters. Infestation of the benches in the tot lot by carpenter bees would also potentially cause damage to the benches from boring into the wood by the bees.
- b) The report from the exterminator showed that the carpenter bees were coming from the wood benches in the tot lot. The total for exterminator service is \$185 which includes the \$65 charge for their investigation of the source of the bee infestation. They are scheduled on Wednesday, April 30, 2008, between 2:00 and 4:00 pm.

Motion and Second for a permanent solution. Suggestion was made to remove benches and/or paint wood.

Vote taken on permission to eradicate bees. Vote was unanimous in favor of spending money (total \$185) to hire exterminator for temporary solution.

Concern was raised regarding the child care (3 McCormick Ct.) use of tot lot – Do they have insurance? Assist in maintenance?

Brian pointed out that home day-care facilities are considered by the Maryland Homeowners Association Act to be a no-impact home-based business (§ 11B-111.1) and since the community controlling documents do not specifically prohibit or restrict that type of facility from using the common areas of the community, we cannot keep them from using the tot lot.

Insurance - Any requirement for the facility to be required to pay a percentage of the HOA insurance coverage must be accomplished through a change in the by-laws or covenants. Brian also assured the members that the facility has liability insurance.

12) **Front Entrance Repair**

- a) The front entrance area, specifically the wall and berm lies within the Wootton Parkway right-of-way – making it City of Rockville property.
- b) The City of Rockville reversed its position and no longer assumes responsibility for maintenance of the front entrance wall. We have worked with the City and it is willing to enter into a Revocable License Agreement that allows our HOA to take over the responsibility for the entrance wall. If the license agreement is not signed, the city will remove the ties that are currently in place and grade the earth.
- c) If the agreement is entered into, the HOA needs to update its insurance for liability on that area. The City retains the right to remove any type of wall we install for

maintenance purposes without the requirement that the City replace it.

- d) For the entranceway, Brian surveyed residents about preferences for appearance of entranceway. Choices were between two different colors of brick or replacement of ties. No definitive answer was obtained – almost exactly a tie between the two proposed colors. Board has approved the Highland stonewall of buff and brown; small blocks in the three feet model.
- e) Cost of improving the front entrance with blocks will be around \$3200 (Superior Landscaping) plus the yearly increase in liability insurance which is assumed to be small.

Motion for new wall – maximum \$4,000.00. Table issue for new board.

Mr. Van Grack provides the opinion that the Association has the power and authority to enter this Revocable License and Maintenance Agreement. He also states "...the Board of Directors has the authority to enter into this document and the business decision would be appropriate."

Question for member vote:

Motion: FLECA will enter into Revocable License and Maintenance Agreement with the City of Rockville so as to allow out HOA to modify and assume responsibility for the front entrance.

The member vote was unanimous for not signing the RLA at this time so that the funds needed for maintenance may be used for concrete sidewalk maintenance which is considered a safety issue.

13) Amendment to Bylaws Related to Defining Conflict of Interest

It has been determined that the Bylaws do not have guidance on procedures to follow in the case of a conflict of interest exists for a member of the Board of Directors.

- a) An amendment to the bylaws might provide guidance in some situations where a decision to be voted on by the Board of Directors, directly affects a Board Member as an individual, more so than simply as a member of the HOA.
- b) Fortunately, Attorney Van Grack states in his response that "Many Association documents include a detailed provision that specifically address potential conflicts of interests, but there is no similar provision at your Association. I would however advise you that Section 2.419 of the Corporation's law does address interested directors. A copy of this law is attached as Exhibit E. Simply stated, **any potential conflict needs to be fully disclosed and voted on by the Board of Directors.**"

This issue will be discussed further upon creation of updated by-laws.

11) Website (<http://www.rocknet.org/Community/FlintLedge/index.html>)

- a) The website has been made functional with references to many historical and legal documents for download. These include:

- b) Community controlling documents,
- c) Plats and easements,
- d) Current budget,
- e) Approved colors for siding, accents, trim etc.
- f) Board Meeting schedule
- g) All available historical meeting minutes, memoranda and communications for reference were scanned and made available for reference.
- h) Municipal and State Codes

12) **Trees Between two townhouse sections:**

- a) Conflicting opinions have caused concern on the current board about the need for replacing these trees. Since winter intervened, the current board has opted to pass the decision on the best approach to take in this issue to the upcoming board.
- b) City Forester suggested that they were in good shape but aging as the White Pines do, suggested trim and removing overhangs. When necessary, replacing with Leyland Cypress as done in the past is good for drainage and the acidity of the soil
- c) Bill of Superior Landscaping suggested replacing one at a time. Mistake to top the pine trees.
- d) Bartlett suggested that they should be either fertilized and pruned on a regular basis (every 3 to 5 years), or removed and replaced with a more suitable tree species such as Leyland Cypress. Quotes were provided to Prune \$2,550; Remove \$3,600; Fertilize \$225.
- e) Denver Wilson, a private contractor, provided a quote of \$600 to climb and trim
- f) Dwayne indicated that the HOA must submit an application for tree removal. Superior Landscaping may be asked to replace the trees.

Motion to table discussion for new board; poll residents on need to remove trees.

FLINT LEDGE ESTATE STATEMENT OF INCOME AND EXPENSES							
PREPARED BY SONIA RICKMAN							
4/6/2008							
Amounts listed in <i>BLUE ITALICS</i> are estimates projected forward.							
Negative quantities are within (Parentheses)							
Income		Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Budget 2008
	Single Family Dues	\$ 4,988.00	\$ 5,160.00	\$ 4,988.00	\$ 5,220.00	\$ 5,859.00	\$ 5,544.00
	Townhouse Dues	\$ 10,423.20	\$ 9,976.00	\$ 9,976.00	\$ 10,469.00	\$ 11,340.00	\$ 12,474.00
	Reimbursement of Annual Fees	\$ -	\$ -	\$ -	\$ -	\$ 2,243.40	\$ -
	Grant Money for Mailboxes	\$ 1,000.00	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -
	Miscellaneous	\$ -	\$ 1.98	\$ -	\$ -	\$ -	\$ -
	Total Checking Income	\$ 16,411.20	\$ 16,137.98	\$ 14,964.00	\$ 15,689.00	\$ 19,442.40	\$ 18,018.00
	Interest Income (from CD)	\$ 283.18	\$ 77.28	\$ 149.19	\$ 383.88	\$ 219.69	\$ -
	Total Income	\$ 16,694.38	\$ 16,215.26	\$ 15,113.19	\$ 16,072.88	\$ 19,662.09	\$ 18,018.00
Expenses							
	Contracted Landscaping	\$ (9,319.00)	\$ (9,568.00)	\$ (10,436.00)	\$ (9,585.00)	\$ (13,085.00)	\$ (13,085.00)
	Add'l Yard Maintenance	\$ (2,628.00)	\$ (857.00)	\$ (992.50)	\$ (760.00)	\$ (1,120.00)	\$ (400.00)
	Snow Removal	\$ (1,665.00)	\$ (5,440.00)	\$ (865.00)	\$ (512.00)	\$ (250.00)	\$ (980.00)
	Insurance Policy	\$ (440.00)	\$ (600.00)	\$ (600.00)	\$ (600.00)	\$ (652.00)	\$ (675.00)
	Income Tax Preparation	\$ (275.00)	\$ (275.00)	\$ -	\$ (275.00)	\$ (300.00)	\$ (300.00)
	Stamps & Office supplies	\$ (102.99)	\$ -	\$ (38.00)	\$ (175.55)	\$ (188.64)	\$ (175.00)
	Postage & PO box	\$ (36.00)	\$ (37.00)	\$ -	\$ -	\$ -	\$ -
	Legal fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,500.00)
	Taxes	\$ (117.00)	\$ -	\$ -	\$ (11.33)	\$ (36.00)	\$ (36.00)
	Miscellaneous	\$ -	\$ (31.47)	\$ -	\$ (155.00)	\$ (290.91)	\$ (155.00)
	Bank Charges	\$ (5.00)	\$ -	\$ -	\$ (38.00)	\$ -	\$ -
	Capital Improvements	\$ (9,300.00)	\$ (3,353.50)	\$ (4,410.00)	\$ -	\$ -	\$ -
	Total Expenses	\$ (23,887.99)	\$ (20,161.97)	\$ (17,341.50)	\$ (12,111.88)	\$ (15,922.55)	\$ (18,306.00)
	Net income/(deficit)	\$ (7,476.79)	\$ (4,023.99)	\$ (2,377.50)	\$ 3,577.12	\$ 3,519.85	\$ (288.00)
	Gross Total income/(deficit)	\$ (7,193.61)	\$ (3,946.71)	\$ (2,228.31)	\$ 3,961.00	\$ 3,739.54	\$ (288.00)
Total Assets							
	Checking	CoD	Total				
January-07	\$ 5,680.33	\$ 10,149.19	\$ 15,829.52				
January-08	\$ 9,200.18	\$ 10,368.88	\$ 19,569.06				
Income	\$ 3,519.85	\$ 219.69	\$ 3,739.54				

April 23, 2008

Board of Directors
Flint Ledge Estates Community Association, Inc.
c/o Mr. Brian Rogers, Board President
2314 McCormick Road
Rockville, Maryland 20850

ATTORNEY CLIENT PRIVILEGED COMMUNICATIONS

RE: LEGAL MATTERS

Dear Board of Directors:

This letter is in response to the letter from Brian Rogers dated April 8, 2008 concerning representation of Flint Ledge Estates Community Association, Inc. ("Association") and the various legal issues that I have been requested to provide my opinion. I look forward to representing the Association and please feel free to contact me with any additional questions or concerns.

Also, consistent with my conversation with Brian Rogers, I plan to appear at the April 29th annual meeting at City Hall. I look forward to meeting with you and to address any general or specific issues involving your Association.

I. Quorums

As you are aware, Article III Section 4 of the Association's Bylaws requires a presence in person or by proxy of 60% of the owners or votes. This amount is reduced to 30% for any subsequent called annual meeting. This provision provides as follows:

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, sixty percent (60%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting and schedule another meeting on another day, without notice other than announcement at the first meeting, and the required quorum at the subsequent meeting shall be one-half (1/2) the required quorum at the preceding meeting.

Board of Directors
April 23, 2008
Page 2

The easiest way to proceed with this matter is for the Association to act in accordance with Section 5-206 of the Corporations and Association Article of the Maryland Annotated Code. A copy of this Section is attached as Exhibit A and in essence it allows for the second meeting of the body (assuming there is not the 60% quorum) to proceed as those individuals present in person or by proxy constitutes a quorum, regardless of the number of owners present.

In order to amend this 60% quorum requirement, it would require an Amendment to the Bylaw provision of Article III Section 4. To Amend any of the Bylaw provisions requires a vote of a majority of a quorum, regardless of the number of owners present.

II. Requirements to Have Open Board Meetings

I recognize the practical difficulties of having regular Board meetings and utilizing that as the only mechanism for decision making. This is especially true for a small HOA like your Association, but the legal requirements apply to all Maryland Homeowners Associations.

Homeowners Associations in Maryland are statutorily obligated to comply with Section 11-B-111 of the Maryland Homeowners Association Act. A copy of this Act is attached hereto and marked as Exhibit B. This Act provides that notice of all meetings to all owners be required and that subject to certain statutory exceptions, that all meetings must be open. This statute provides in pertinent part as follows:

(1) Subject to the provisions of paragraph (4) of this section, all meetings of the homeowners association, including meetings of the board of directors or other governing body of the homeowners association or a committee of the homeowners association, shall be open to all members of the homeowners association or their agents.

(2) All members of the homeowners association shall be given reasonable notice of all regularly scheduled open meetings of the homeowners association.

(3) (ii) Subject to subparagraph (iii) of this paragraph and to reasonable rules adopted by a governing body, a governing body shall provide a designated period of time during a meeting to allow lot owners an opportunity to comment on any matter relating to the homeowners association.

Board of Directors
April 23, 2008
Page 3

(ii) *During a meeting at which the agenda is limited to specific topics or at a special meeting, the lot owners' comments may be limited to the topics listed on the meeting agenda; and*

(iii) *The governing body shall convene at least one meeting each year at which the agenda is open to any matter relating to the homeowners association;*

(4) *A meeting of the board of directors or other governing body of the homeowners association or a committee of the homeowners association may be held in closed session only for the following purposes:*

(i) *Discussion of matters pertaining to employees and personnel;*

(ii) *Protection of the privacy or reputation of individuals in matters not related to the homeowners association's business;*

(iii) *Consultation with legal counsel;*

(iv) *Consultation with staff personnel, consultants, attorneys, or other persons in connection with pending or potential litigation;*

(v) *Investigative proceedings concerning possible or actual criminal misconduct;*

(vi) *Consideration of the terms or conditions of a business transaction in the negotiation stage if the disclosure could adversely affect the economic interests of the homeowners association;*

(vii) *Compliance with a specific constitutional, statutory, or judicially imposed requirement protecting particular proceedings or matters from public disclosure; or*

(viii) *On an individually recorded affirmative vote of two-thirds of the board or committee members present, some other exceptional reason so compelling as to override the general public policy in favor of open meetings.*

Board of Directors
April 23, 2008
Page 4

Subject to the exception for “closed executive sessions,” this statute would appear to mandate both notice and openness of any meeting. I would also call your attention to Article IV Section 5 of the Bylaws entitled, “Action Taken Without a Meeting” and provides:

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

This Bylaw provision would appear to at least provide some guidance to have the Board make decisions outside of a regular meeting so long as all members of the Board Directors approve unanimously in writing the action. This does not override the statutory requirements, but does have some basis especially for emergency matters where a meeting cannot be held.

III. Determining What is HOA Property

The property which the Association owns would be those properties that were deeded to the Association and would be the Common Areas. According to the Declaration, there are 2 Common Areas which were identified as Schedules D & E. I have obtained the Deed from Land Records, a copy of which is attached as Exhibit C. Please note that Land Records shows that there are six separate panels which are listed on the Deed that was recorded in 1983. Please review this Deed and confirm same at your earliest convenience.

IV. Capital Reserves

The Board of Directors has a fiduciary duty and good business practices warrant assurances that the Association has adequate monies or reserve to make future repairs.

The mechanism to determine the adequacy of reserves is to hire a reserve professional. This would provide the Association guidance on the life expectancy of the item, its cost of replacement and how much money should be placed in the reserve account each year. Moreover, this study will advise the Association if the amount currently in the reserve account is adequate.

Board of Directors
April 23, 2008
Page 5

V. What May the HOA spend money on

The Association's ability to expend monies is usually fairly board. In the case of your Association, guidance is provided in the Articles of Incorporation at Article IV(b) to pay "all expenses in connection incident to the conduct of the business of the Association including all licenses, taxes or governmental changes levied or imposed against the property of the Association." Additionally, the Maryland Corporate statute has a general catch all provision to allow a Maryland Corporation to do every other act not inconsistent with law which is appropriate to promote and attain the purposes set forth in its charter.

Accordingly, the Board of Directors has discretion to spend monies related to the Association and all business or welfare concerning same.

VI. Whether the City of Rockville can be "forced" to continue the maintenance of trees and the entrance area

VII. Front Entrance Area

These 2 questions can really be read together.

Whether the HOA may enter into a revocable licensing agreement with the City of Rockville whereby the HOA is allowed to maintain the entrance area.

The only document that I have is a document entitled "Revocable License and Maintenance Agreement" and according to Brian Rogers this document was proposed by the City in 2007. The Agreement is waiting for the Association response. I am assuming that throughout the history of this property that the City has maintained this entrance way, which I am further assuming is located on City Property.

Based upon this proposed document, it appears that the Association is considering agreeing to take on responsibility for the entrance that was apparently previously handled by the City of Rockville. I do not know how this proposal came about, but I am again assuming that the Association has been unhappy with the City's maintenance. The business rationale to take over the maintenance is to improve its appearance and it would appear to be within the Association's power to enter into same. Although there is no specific authorization in the Articles of Incorporation, I believe that the Association has the power and authority to enter this Revocable License and Maintenance Agreement.

Board of Directors
April 23, 2008
Page 6

The Association Bylaws specifically authorize and include in the Board's powers the power to exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws of the Articles of Incorporation. The Articles of Incorporation go on to provide:

(g) have and to exercise any and all powers, rights and privileges which a non-profit corporation organized under Title 5 of the Corporation and Association Article of the Annotated Code of Maryland by law now or hereinafter have or exercise.

The Maryland Corporate Law at Section 2-103 (8) provides in the Board's power to as follows:

(8) Acquire by purchase or in any other manner, and take, receive, own, hold, use, employ, improve and otherwise deal with any interest in real or personal property, wherever located.

Accordingly, assuming that my assumptions are correct, it would be my opinion that the Board of Directors has the authority to enter into this document and the business decision would be appropriate. I would however advise the owners before entering into the agreement and confirm with the City that they are not voluntarily willing to take on this responsibility and/or improve the quality of work. This may be more of a political problem.

VIII. Allocation of Costs for Sidewalk and Curb Repairs and/or Replacement in Townhouse Area

As drafted the Association documents have this 2:1 ratio for the single family:Townhouse lots that creates assessments for all common charges. The only way that the Townhouse owners can be allocated additional costs for the sidewalk is by way of an Amendment to the Declaration. Pursuant to Article XIII Section 1 of the Declaration to Amend the Declaration requires a vote of a majority of a quorum of members present in person or by proxy. I understand that the sidewalk and curb repair benefit only the Townhouse owners but this was addressed in the concept and Declaration by way of the 2:1 ratio. Moreover, Article V Section IV provides as follows:

Board of Directors
April 23, 2008
Page 7

Section 4. The Association may levy, subject to the provisions hereinafter stated, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon any Common Area, including fixtures and personal property related thereto, provided that any such assessment, including the due date of payments on account of such assessment, shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose; provided, however, that only townhouse lots shall be assessed for capital improvements on Common Area B and only single-family lots shall be assessed for capital improvements on Common Area A.

IX. Personal Liability

In order to provide protection, it is essential that the Association have a Directors and Officers insurance policy in place. It may make sense that now that the Association is reviewing various issues, to contact your insurance company to see what coverages you have in place. It may be a good time to review your policy to not only confirm adequate coverage on directors and officer claims, or directors and officer claim, but to confirm that the premiums are appropriate with industry standards.

More importantly, if the appropriate insurance is in place, the individual Board members are provided immunity so long as their actions are not in bad faith or with ill will. I also attach to this letter and mark as Exhibit D, a copy of Section 2.405.1 of the Maryland Law for Corporations which is entitled, "Liability of Directors, Standard of Care."

X. Conflict of Interest for Board Members

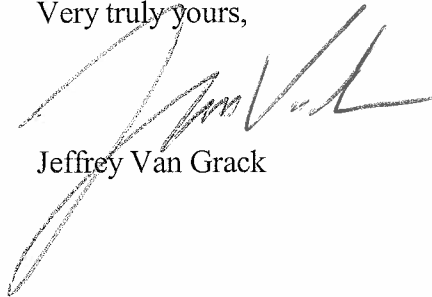
Many Association documents include a detailed provision that specifically address potential conflicts of interests, but there is no similar provision at your Association. I would however advise you that Section 2.419 of the Corporation's law does address interested



Board of Directors
April 23, 2008
Page 8

directors. A copy of this law is attached as Exhibit E. Simply stated, any potential conflict needs to be fully disclosed and voted on by the Board of Directors.

Very truly yours,



Jeffrey Van Grack

JVG:jet
Enclosures: (As stated)

FLINT LEDGE ESTATES COMMUNITY ASSOCIATION, INC.
2473 McCormick Road
ROCKVILLE, MARYLAND 20850

MEMORANDUM OF BOARD OF DIRECTORS ACTION

Subject: Approval to Hire Exterminator to Remove Carpenter Bees from Tot Lot Area

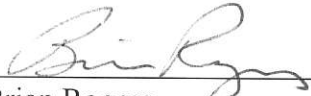
Date: April 29, 2008

Summary: A bee infestation of the tot lot area was reported to Brian by Lorraine Robins of 2421 McCormick Road. The bees did not seem to be aggressive, but were quite numerous and were occupying the tot lot so as to prevent its use. It was determined that the bees were dangerous to children who might accidentally injure one of the bees or disturb their living quarters. Infestation of the benches in the tot lot by carpenter bees would also potentially cause damage to the benches from boring into the wood by the bees.


Brian subsequently contacted Alexander Zbarsky of 2329 McCormick Road and asked him to investigate the bee infestation since it appeared that the bees may be coming from a bush at the rear of his property. Upon examination of the problem, Mr. Zbarsky agreed to contact Infestation Control, Inc. with whom he had previously dealt and ask them to determine the source of the infestation.

The report from the exterminator showed that the bees were coming from the wood benches in the tot lot and they were in fact carpenter bees (see attached estimate). As shown in the estimate, the exterminator service is \$185 and this includes the \$65 charge for their investigation of the source of the bee infestation. They have been scheduled to perform the extermination on Wednesday, April 30, 2008, between 2:00 and 4:00 pm.

Statement: We, the Board of Directors vote as follows on the use of an exterminator to eradicate the carpenter bees currently infesting the tot lot area and authorize the treasurer to pay the exterminator \$185 as described on the attached estimate.



Brian Rogers (Yes/No)




Sonia Rickman (Yes/No)



John Nickell (Yes/No)



Gayle Brooks (Yes/No)



Simone Szym-Nickel (Yes/No)

Infestation Control Inc.

301-294-0800
Rockville MD

Serving All of Your Pest Control Needs

- Termite Treatment & Prevention
- Wildlife Trapping & Relocation
- Residential & Commercial Pest Management
- Real Estate Inspections
- Yearly Maintenance Programs

Thank You!

"The company your neighbors recommend."

MD Dept of Agriculture
License No. 808

Infestation Control Inc.

14650-E Rothgeb Dr. • Rockville, MD 20850

Pest & Termite Prevention Service Report

SERVICE PERFORMED TODAY:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Pest/Termite Assessment | <input checked="" type="checkbox"/> Exterior Perimeter |
| <input type="checkbox"/> Interior Treatment | <input type="checkbox"/> Follow Up Treatment |
| <input type="checkbox"/> One Time Treatment | <input type="checkbox"/> Leaf Defier Gutter System |
| <input type="checkbox"/> Termite Treatment | <input type="checkbox"/> Other |

OUTSIDE ONLY SERVICE PERFORMED:

We as professionals feel that the exterior treatment of the home is of primary importance in eliminating pests from your living environment and also for efficiency sake. Your statement will show this service as a full price service. If you wish to have interior service, you have 30 days to schedule, provided your service plan has not expired during that time. Simply call our office at (301) 294-0800.

Time In: _____ Time Out: _____

Technician: T. J. Krupnicki

Customer: _____

Date: 24 Apr 2008

Materials Used	%	Amount	✓	Target
<input checked="" type="checkbox"/> Ant/Roach Gel Bait	.06			Ants
<input checked="" type="checkbox"/> Bedlam	2.0			Bedbugs
<input checked="" type="checkbox"/> CB 80 Extra	4.50			Bees
<input checked="" type="checkbox"/> Carpenter Ant Gel Bait	.001			Carpenter ants
<input checked="" type="checkbox"/> Contrace Blox/Toss Packs	.005			Carpenter bees
<input checked="" type="checkbox"/> Cy-Kick Aerosol	.10			Crickets
<input checked="" type="checkbox"/> Demand CS	.015-.06			Earwigs
<input checked="" type="checkbox"/> Demon Max	0.1-.02			Fleas
<input checked="" type="checkbox"/> Glue Traps / Monitors	N/A			General pests
<input checked="" type="checkbox"/> Gourmet Ant Gel Bait	6.0			Mice
<input checked="" type="checkbox"/> Max Force FC Roach Gel Bait	.01			Millipedes
<input checked="" type="checkbox"/> Niban FG	5.0			Pill Bugs
<input checked="" type="checkbox"/> Phantom SC	.125-.50			Rats
<input checked="" type="checkbox"/> Premise 75	.05-.10			Roaches
<input checked="" type="checkbox"/> Pyrocidic Flusher	3.17			Silverfish
<input checked="" type="checkbox"/> Rodent Stations Mice/Rats	N/A			Spiders
<input checked="" type="checkbox"/> Sterifab	60.8			Termites
<input checked="" type="checkbox"/> Tempo SC Ultra	.025-.05			
<input checked="" type="checkbox"/> Talstar EZ Granules	.20			
<input checked="" type="checkbox"/> TalstarPro	.06-.12			
<input checked="" type="checkbox"/> TermidorSC/ 80 WG	.06-.125			

ALL CHEMICALS ARE APPLIED PER LABEL DIRECTIONS IN ACCORDANCE WITH EPA AND DEPT. OF AGRICULTURE GUIDELINES. POISON CENTER 1-800-222-1222

COMMENTS & RECOMMENDATIONS

Inspr performed. Activity at playground area from Carpenter Bees getting into benches, No other activity noted in that Area, Inspr have 4 Deck & Terrace area no evidence of Carpenter Bees if treatment is requested to Benches case #185 - Total Due \$185 Wed 2-4

All accounts over 30 days past due will accrue interest at the rate of 1.5% per month. In addition, in the event your account is turned over to a third party or an attorney for collection, you agree to pay court costs and reasonable attorney's fees of not less than 35% of the outstanding balance then due and owing.

Infestation Control Inc.

301-294-0800 **TREAT BEES**

AMOUNT DUE \$ 65-

Please Return Bottom Portion with Remittance to:
14650-E Rothgeb Dr.
Rockville, MD 20850

Service at: 2329 MCCORMICK RD., ROCKVILLE MD

INVOICE
143916

20844
MARGARET ZBARSKY
2329 MCCORMICK RD.
ROCKVILLE MD 20850-

- CHECK
 - VISA
 - MASTERCARD
- CREDIT CARD BILLING ADDRESS:

CARD ACCOUNT #: _____
EXP DATE: _____ 3 DIGIT CODE: _____
SIGNATURE: _____

INVOICE
143916



**Flint Ledge Estates Community Association, Inc.
Rockville, MD 20850-3074**

April 7, 2008

**Notice of the 2008 Annual Meeting of
The Flint Ledge Estates Community Association, Inc.**

Dear Homeowner,

In accordance with Article III, section 3 of the Bylaws, this is to provide you with at least 15 days prior notice of the annual meeting of Flint Ledge Estates Community Association, Inc. that is scheduled for:

**Tuesday, April 29, 2008 at 7:00 PM
In the Council Chambers of Rockville City Hall
111 Maryland Avenue, Rockville, MD 20850**

The first meeting of the newly-elected Board of Directors is scheduled for 7:00 pm on Tuesday May 27, 2008, In the Blue Crab Room, Rockville City Hall.

- A **proxy form** is attached in accordance with the Bylaws. Please complete it now and return it either by mail to the Association's address above or give it to a member of the Board of Directors. **Please complete and return the proxy form whether you plan to attend the meeting or not.** The 2008 budget is also attached.

Agenda:

General Address
Financial Report
Board action for 2007
Plans for 2008
Election of Board of Directors
Questions & Answers
Adjournment

- Please be aware that items for discussion at this annual Association business meeting will be limited to community-wide issues. Issues pertaining only to your dwelling should be taken up with Board members and at Board meetings during the year either in writing or in person.
- If you would be interesting in running for office please include this information when you return the proxy form.

Sincerely,



Brian Rogers, President and
Member of the Board of Directors

OFFICIAL PROXY FORM
FLINT LEDGE ESTATES
COMMUNITY ASSOCIATION, INC.
2473 McCormick Road, Rockville, MD 20850

I/We _____ of

_____ McCormick (Road/Court), being a Member of the Flint Ledge Estates Community Association, Inc., do hereby appoint (circle one of the current Board of Directors below, or write-in someone who will appear at the Annual General Meeting)

Brian Rogers
2314 McCormick Road

John Nickell
2322 McCormick Road

Simone Seym-Nickel
2433 McCormick Road

Sonya Rickman
2325 McCormick Road

Gayle Brooks
2316 McCormick Road

as my/our Proxy to vote for me/us and in my/our place at the annual meeting being held on April 29, 2008 and at any subsequent meeting held thereafter if adjournment of the April 29, 2008 meeting is necessary due to a lack of a quorum.

Please mail this form to Flint Ledge Estates Community Association, Inc. at the above address, or deliver it to a member of the Board of Directors.

(Signature)

(Signature)

Telephone Number

Email Address