

Oella HOA Board of Directors Meeting
Monday, June 21, 2010, 7:00 pm, Westchester Center

Attendees:

Board members: Raina Rath, Dan Hood, Amanda Lauer, Anne Altemus, Scott Hall, Marcia Ames

Residents: Richard Gambrell, Cheryl Wilhide, Don Drehoff

Called to order at 7:03pm by President Rath and the meeting commenced. Approval of May minutes were tabled, as additional information by the Treasurer was needed for completeness. Will try to approve minutes offline via email.

Treasurer's Report (Director Hall):

- Obtained information for revised ACM services bid.
 - Currently ~\$19,000 per yr., revised bid was ~\$9,300 per yr.
 - Cut in services / à la carte
 - Inspections @ \$75 per hr., ~2 days =~ \$1,000
 - Overdue collections \$5 per unit per mo., to be charged to owner
 - Coupon books \$4.75 per book (earlier decided to go - mail invoices)
 - Bulk mail \$35 per hr.
 - Extra \$60 per hr. (monitor paving, etc.)
 - ARC/typing/secretarial \$35 per hr. (est ~\$70 per mo.)
 - Cut 24 hr. maintenance hotline
- Question by Director Altemus: how would the HOA budget for à la carte services?
 - Director Hall will ask ACM for estimates based on the past year.
- Director Hall also mentioned possibly pushing for direct debit or annual payment to save on mailing/collections.
- ACTION: add levels of services to minutes (need to obtain from ACM)

- Director Hall: could start at renewal in December, or renegotiate earlier (but suggested doing so after some other things are taken care of – e.g. paving, space numbering, inspection follow-ups).
- ACTION: set up separate meeting to discuss the special assessment within the next 30–60 days
 - What issues do we need to spend money on?
 - Amount; the board does not want to collect money that will not be spent on tangible work that must be done ASAP
- Get quote for landscaping management services
- Other stuff is the same – ran through expenses/budget to be posted on web

ARC Update (Director Ames):

- Director Rath's tenure on ARC has expired and she will not be serving another term, Oliver's tenure expires in July, Steve may also step down. Leaves the following committee members: Charles Wagandt, Steve Appler, Olivier Gandou, Pam Donegan.
- Director Ames: feels that 3 is a good number, too difficult to wrangle more member, will call in another member of the community if they feel they need to
- Director Altemus:
 - Noted that per 2008 ARC agreement Charles's term ends 2011
 - Suggested consider for records what requests were submitted & results to make community aware that process exists
 - Discussion of merits & disadvantages
- Mr. Drehoff asked why not add more people to the ARC?
- Director Ames responded – feels it is too difficult to wrangle & get majority with additional members

- Members need appropriate background
- Very time consuming for chair – many duties
- Mr. Drehoff asked who is on the committee/backgrounds?
- Director Ames answered: Charles – developer; Olivier – design engineer; Marcia – organizer; Pam–architect; Steve–builder
- A lengthy discussion followed, Mr. Drehoff reiterated questions about being denied to serve on the ARC. Discussion ensued of needing to have outstanding issues dealt with as with before any appointment. Director Hall cited his situation regarding resolution of his issue before taking a seat on the board, he felt it must be fully resolved.
- Director Ames noted four requests this period from residents:
 - Windows (research on appropriate windows for historic homes, viewing samples, meeting with sales, etc.)
 - Replace roof because leaking (new material)
 - A second window request (historic)
 - Deck and storm door

Landscaping (Director Lauer):

- Revisit cuts at “tot lot” (\$45 per mo. Still \$35 per mow – less frequent) & next to 737 Oella Ave
- Mill race trail was weed–whacked by a volunteer (3 hours of work – saved HOA about \$275)
- Discussion about buying a weed–whacker for community use as community supplies was brought up – questions of liability raised
 - Also for Timber point mile–a–minute
 - ACTION: Director Rath will check with insurance

- Director Lauer noted that she has been spending about 5–10 hours a week personally maintaining some of the common areas
- Director Lauer moved to resume cutting (every other mow) the areas next to 737 Oella Ave (across from 732 & 734) and area next to 720 Mary Jo Way (tot lot)
 - VOTE: motion not passed.
- Comment by Mr. Drehoff – questioned whether there would be a special assessment to cover snow removal costs. Discussion ensued as to whether or not we may be able to, paving/other costs/etc.
- Donated perennials & small trees, actively searching for sources of funding
- Pruned bushes at Lillies Lane, weeded some areas
- Director Lauer – motioned to perform weeding at Lillies Lane & Spring Street (Lauern’s Garden Service, \$30/hr/gardener, capped to 20 hrs. labor)
 - VOTE: motion passed.

Parking (Director Altemus):

- Issues noted at Long & Short Brick rows as well as other issues
 - 781 Oella Ave letter sent out to discontinue parking fees. Fees do not apply as the property does not qualify for assigned parking access to LBR or SBR parking areas.
 - Check on 947 Oella Ave parking fees resolution
 - 751 Oella (ready for sale) suggested as advertised for 2 assigned spaces, only has 1 space numbered, 2 permanent passes & a guest pass. Will remind owner of policy at sales/compliance. (Board considering collecting passes as a condition of compliance for all future sales. Board will then re-issue to new residents with parking policy information.)
 - 761–765 Oella/Short Brick Row – the violation sticker program will be suspended. Parking policy violations continue at a steady rate but some parking violators are becoming aggressive. Towing and other options are under consideration. Zoning/housing issue for these addresses is under review.
- Director Ames:

- Materials in 751 Oella yard (construction debris)
- It was mentioned that Charles may rescind ARC agreement on guidelines
 - Need to make sure all agreements/postponements are in writing
- Problem with illegal parking to go to Mill & trail with trespassers refusing to leave.
- Problem at Timber Point (trespassers) – requested a sign from Greenwood
- Discussion to get towing information inline/up-to-date
- Noted that there was a van parked in the Lillies lane parking pad, now gone

Guidelines Committee update:

- Board member on committee was away on travel
- Draft was expected very soon – to be posted on web for community viewing and comment
- Will check as to when the committee will be ready
- Director Hood will make an online form for membership comment when guidelines become available

Old Business:

- Timber point encroachments – license or easement? Conferred with HOA attorney & insurance. The CCRs require vote of membership (for vote at annual meeting)
- Mr. Gambrill letter to board regarding Treasurer’s report from April minutes with regards to comments about parking fees. Where are the records showing this?
 - Director Hall: Comments were based on Susan Rappaport’s opinion regarding allocation of dues/assessments for parking maintenance/

plowing – parking assessment flowing into 1 account (should be reserve for limited, general funds for snow removal/maintenance)

- Mr Gambrell: mentioned 2003 budget draft
- Director Hall: shows income received only, where did money flow? One account.
- 1984 – part of assessment paid for snow removal
- Discussion then transitioned into issue of allocation of limited assessment.
 - Director Hood: sought further clarification with respect to language in the CCRs, it is the HOA attorney’s opinion that the 1988 declaration conflicts with the 1984 declaration, and as such it is her opinion that the 1988 declaration takes precedence.
 - Mr. Gambrell: limited assessment had previously went to all maintenance (snow removal, BGE lights, etc.)
 - Director Hall: further clarification
 - Mr. Gambrell: reserve fund was what was left over from the limited assessment – went into reserve (after snow, lights, etc.)
 - Director Hall: now looking if funding reserve is enough; not due to past decision not to save enough – need to ??? looking forward
 - Action to Post Ms. Rappaport’s opinion online
 - Director Hood: expressed disagreement with Ms. Rappaport’s opinion
 - Director Hall: brought up the notion of getting a second opinion? Stated that funding allocation depends upon it
 - Director Hood: agreed. Question came up as to cost, Director Hood stated that he was cognizant of associated legal costs. Director Altemus also raised the notion of obtaining a second opinion.
 - Mr. Drehoff: why the need for a second opinion
 - Director Hall: the questions is still unresolved because of conflicting/ vague language in the 1998 declaration

- Director Hall: made motion to obtain a second opinion from one of the other lawyers we've conferred with in the past.
 - Discussion ensued regarding what's fair vs. what's legal
 - Director Rath suggested capping the legal expense for review of CCRs and research of case law
 - Extensive discussion regarding the expense – Mr. Drehoff suggested his attorney which has reviewed the CCRs, some discussion of using a lawyer which was consulted during the Petit request
 - Director Hall – can we get an estimate. New motion made to get an estimate for review, research & opinion regarding the allocation of the limited assessment.
 - VOTE: motion passed.

New Business:

- Ms. Wilhide was displeased with respect to a citation received during the annual inspection process which cited dirty siding on side of house
 - Expressed that violation was not clear as to what it meant, Alan (ACM) could not explain when called about the matter
 - Not happy with ACM's inspection process
 - Understands the need for a management company/ACM but stated that it should be concentrating on blatant violations, not small things
 - The return form received from ACM didn't have the address or violation on it
 - Director Hall: notes that the violations should have photos/record in the future
 - Director Hood + others: noted the lack of specificity in current (and last years violations) and expressed the need for more details next year
- ACM will not perform collection without a HOA collections policy (and fining policy)

- Director Rath made a motion to contact HOA attorney to draft both policies
- Questions as to page 45 CCRs (Collections), not an issue?
- Revised motion: fining policy from HOA attorney, ask for fee schedule
 - VOTE: passed
- Website Updates (Director Hood)
 - Director Hood offered to help with website updates, existing webmaster expressed desire to offload all updates, so Director Hood will completely take over this role.
 - Looking to see what we can do to reduce annual cost and simplify updates such anyone could perform updates without technical knowledge
 - Asked to install some free analytic tools on the website to determine how it is being used – Director Hall and others thought it was a good idea
- Director Lauer will put Director Hood in contact with Jeff Plotkin, XTR Tech
- Foreclosures
 - Noted that a number of current foreclosures are happening in HOA
 - Some discussion that this may result in reduced collection of dues
 - Question was raised as voting rights regarding foreclosed homes that are also being on dues, may need to be looked into

General Questions & Comments

- Mr. Drehoff:
 - Asked for clarification of March 8 letter regarding fence – board reaffirmed ARC decision, but offering mediation

- Verbal communication of desire; would like list of mediators; Director Rath will provide to Drehoff's lawyer by the end of the month
- Formal request of why & how decision was reached in light of what constitutes "true picket fence"
 - Charles conversation – he approved materials
 - First approval letter did not say "match" said "similar" to other picket fences in community
 - Some fences in plain view do not match adjacent properties
 - What was installed was dog-eared pickets according to Lowes, Home Depot & professional landscapers
 - ACM representative confirmed it is a picket fence
- Some members of community are putting together a legal defense fund
- Director Hall: asked to provide components to board in writing so we may respond effectively
- Reiterated that they accept mediation
- Request to put attorney's letter into the minutes
- Feels situation has not been handled well
- Informal request in February, discussion on nomination committee from wife – Amanda's email address
- Also in February: reminded us that they offered to donate would-be legal funds to landscaping
 - Some members said they they heard the term "bribe" used by a board member
 - Director Lauer stated that non-board members were also in attendance at February meeting.
 - Mr Drehoff stated that his offer was not a bribe, but an offer to benefit the community.

Meeting adjourned at 9:07pm.

The following items have been attached to the end of these minutes per resident Don Drehoff's request:

- The correspondence with the attorney regarding assessments & maintenance expenses
- Letter to board of directors from Mr. Drehoff's attorney dated June 7th 2010

Daniel Hood

Fri, Jun 11, 2010 at 8:57 PM

To: Susan Rapaport

Ms. Rapaport,

Let me introduce myself – my name is Dan Hood, and I'm one of the newer members on the Oella HOA board of directors. I'm writing you with respect to your initial response regarding the ability of the HOA to pay for snow removal expenses out of the Limited Annual Assessment. It was your opinion that the snow removal couldn't be paid out of that pot of money given our covenants, conditions & restrictions (CC&Rs). I no longer have your full response (I believe Scott Hall initiated the original question), but I believe the key part of your initial opinion was as follows...

With regard to snow removal, Article VI, Section 2(b)(iii), sets forth the types of expenses for which the Association may utilize the proceeds of the Limited Assessment. Specifically, the proceeds of any Limited Assessment "shall be used by the Association to defray any cost incurred by it in constructing, reconstructing, repairing, replacing or improving each Limited Common Area." Snow removal is a **maintenance** expense. Given that the Declaration does not state that Limited Assessments may be used to cover maintenance expenses, the cost of snow removal is an item that falls under the Annual Assessment and, therefore, all owners are required to pay the cost of removing snow from the common areas.

So, two things I discern from this response...

1. Snow removal is a maintenance expense.
2. It is your opinion that the limited (parking) assessment cannot be used to pay for snow removal.

I have no difficulty believing that snow removal is a maintenance expense. Though, I do have some confusion regarding the opinion that the limited assessment can't pay for these maintenance expenses. Looking solely at Article VI, Section 2(b)(iii) I could see how one would come to the conclusion that maintenance isn't intended to come out of the limited common assessment. However, that's not the only place in CC&Rs with relevant language as it pertains to assessments on the limited common (parking) areas. For example take the following sections...

Under Information Brochure (frontmatter, untitled section)...

A Declaration of Covenants, Conditions and Restrictions for Oella ("the Declaration") is recorded among the Land Records of Baltimore County, establishing the Community in a manner designed to assure its continued, smooth operation. By virtue of the Declaration, each owner has the right both to share with the other Owners in the use and enjoyment of the Common Areas (subject to rules adopted from time to time by the Association), and to participate in managing the Community's affairs through his automatic membership in the Association. In return, each Owner is obligated to pay to the Association, an assessment to be used by the Association in defraying the cost of operating and maintaining the Common areas for the Owners. Certain Owners having the benefit of certain limited Common Areas will also be obligated to pay to the Association a Limited Assessment with respect to the **maintenance** of specific limited Common Areas.

Under Information Brochure, 5. Assessments...

Each Owner is liable for an assessment levied annually against his Lot by the Association (an "Annual Assessment") and payable in quarterly installments (subject to any other payment method adopted by the Association). Each Owner is also liable for any special assessment levied by the Association from time to time to defray any special costs incurred by it. With respect to certain of the Lots, there are also limited assessments ("Limited Assessment") levied annually by the Association with respect to the **maintenance** of specific Limited Common Areas which benefit exclusively the Owners of certain designated Lots. (At the present time, the only Limited Common Area is the area designated "H.O.A. Parking for 737, 739, 741, 743, 745 and 747", shown on the Community Plat. These initial Limited Common Areas benefit the Owners of Lots 737, 739, 741, 743, 745 and 747). The Declaration limits the amount of the Annual Assessment for a Lot during the Association's initial fiscal year to \$198.00, limits the amount of the Limited Assessment to \$150.00 for the Association's initial fiscal year, and provides that these maximum amounts may not be increased thereafter by more than ten percent (10%) annually without the approval of two-thirds (2/3) of the members of each Class of membership. While these are maximum amounts, the actual Annual Assessment or Limited Assessment per Lot could in fact be in a lower amount. In addition to the assessments described above, each owner, at the time title to the Lot is transferred to the Owner, will also be required to contribute to the initial working capital of the Association an amount equal to one-sixth (1/6) of the Annual Assessment.

Though both of the previous sections state that those having the benefit of limited common areas will be assessed for such maintenance and upkeep, section DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS, III GRANT OF EASEMENTS AND LICENSES, Section 3.7. Maintenance, specifically states that those benefited lots bare the sole expense...

Each Benefited Owner shall be obligated to and responsible for, the maintenance and, upkeep of the utilities, roadways and parking areas located within the easement area benefiting their Benefited Lot, which maintenance and upkeep shall be performed in a first class manner comparable with other similar residential development in Baltimore County, The expense of such Work required under this Declaration to be performed for the **maintenance** and upkeep of utilities, roadways and parking areas shall be borne solely by the Benefited Owner where the utility, roadway, or parking area directly serves only the Benefited Lot, and where the utility, roadway or parking area serve more than one Owner, the reasonable expense of such work shall be shared by such Owner in proportion to their use thereof.

I'm having difficulty reconciling your initial opinion with these other sections of the CC&Rs. The CC&Rs do contain specific language regarding maintenance expenses, but just not under Article VI, Section 2(b)(iii). These sections seem to define these maintenance expenses not only as part of the limited assessment, but even seem to go as far as to specifically prohibit these maintenance expenses being levied upon all residents (which paying for snow removal out of the annual assessment would do). I believe that when you consider the CC&Rs in their entirety, limited common area maintenance (and thus snow removal) is to be paid out of the limited assessments and not the annual assessments.

After having discussed this with other members of the board, I've been asked/authorized to further discuss these concerns with you. In light of the language in other sections, would you concur that maintenance expenses for limited common areas (snow removal included) should in fact to come out of the limited assessment? Or, if it is still your opinion that limited common area maintenance expenses cannot come out of the limited assessment, could you please explain how these other sections are not applicable?

As you might imagine, given the increased snow removal expenses this year, the ability or inability to pay for snow removal out of certain pots of money are having pretty drastic effects on our budget. I don't know how quickly you can look into these concerns, but our next

monthly board of directors meeting it Monday June 21st, and it would be great to be able to report back to the board your comments.

Sincerely,

Daniel J. Hood

Susan Rapaport

Wed, Jun 16, 2010 at 12:22 PM

To: Daniel Hood

Dear Mr. Hood,

I have reviewed your e-mail as well as my prior opinion regarding payment of the snow removal invoices.

The first two sections that you reference in your e-mail are from an Information Brochure. We do not have a copy of the Information Brochure. Unless the Information Brochure is a recorded document, it is not a legally binding document on the lots within Oella. Therefore, unless the Information Brochure is recorded, Article VI, Section 2(b)(iii), of the Association's Declaration of Covenants, Conditions and Restrictions which was recorded on June 9, 1988 among the land records of Baltimore County in Liber 7958, Page 335, et seq. (the "1988 Declaration") is the controlling provision. In short, unless recorded, the Information Brochure is irrelevant.

Article VI, Section 2, of the 1988 Declaration, specifies three (3) types of assessments that may be levied against the lots: Annual Assessments, Special Assessments and Limited Assessments. The Annual Assessments are to be used to defray the cost incurred by the Association and the amount charged to each Lot shall be equal. Special Assessments are to be used to defray the cost incurred for constructing, reconstructing, repairing, replacing or improving any of the Common Areas and the amount charged to each Lot shall be equal. Finally, the Limited Assessments are to be charged to the lots benefiting by a Limited Common Area. Therefore, it appears that the 1988 Declaration set up an assessment scheme whereby each Lot Owner pays an equal amount, unless the Lot Owner receives the additional benefit of the use of a Limited Common Area.

Article VI, Section 2(b)(iii), of the 1988 Declaration, further provides that "[t]he proceeds of any Limited Assessment **shall** be used by the Association to defray the cost incurred by it in constructing, reconstructing, repairing, replacing or improving each Limited Common Area." [Emphasis Supplied]. Therefore, the 1988 Declaration enumerates the expenses for which the Limited Common Expenses can be used. Article VI, Section 2(b)(iii), of the 1988 Declaration does not list maintenance expenses as a permissible use of Limited Common Expenses, thereby leading to the conclusion that the 1988 Declaration requires maintenance of the Limited Common Area roadway to be charged as an Annual Assessment.

With regard to Section 3.7, of the Declaration of Restrictions and Grant of Easements (the "1984 Declaration"), is recorded among the land records of Baltimore County in Liber 747, Page 021, et seq. Therefore, the 1984 Declaration is also binding on the owners of lots within Oella. As you have correctly noted, Section 3.7, of the 1984 Declaration does provide that maintenance of roadways is to be borne by the Benefited Owner. Thus, in accordance with Section 3.7, of the 1984 Declaration, the "parking assessment" which is only paid by the owners who use the Limited Common Area parking, should be used to pay for maintenance of the roadway, including, among other things, snow removal. However, Article VIII, Section 6, of the 1988

Declaration, provides that "[n]otwithstanding anything to the contrary contained in this Declaration, each Owner shall comply with the terms and conditions. . .contained in an instrument entitled "Declaration of Restrictions and Grant of Easements" dated June 28, 1984, and recorded among the Land Records of Baltimore County, in Liber 6747 at folios 021 et seq." In accordance with the 1984 Declaration, if the terms of the 1988 Declaration conflict with the terms of the 1984 Declaration, the terms of the 1984 Declaration prevail. As noted above, it is our interpretation that the 1988 Declaration does not permit the Limited Assessments to be used for maintenance expenses, such as snow removal. Therefore, there is a conflict between the 1984 Declaration and the 1988 Declaration and, pursuant to Article VIII, Section 6, of the 1988 Declaration, the terms of the 1988 Declaration control.

I trust that I have adequately addressed all of the issues contained in your e-mail. If you have any further questions, please do not hesitate to contact me.

Very truly yours,

Susan R. Rapaport, Esquire
Davis, Agnor, Rapaport & Skalny, LLC

10211 Wincopin Circle, Suite 600

Columbia, Maryland 21044

Baltimore (410) 995-5800

Columbia (410) 309-0505

DC (301) 621-4152

Fax (410) 309-6161

Visit us on the web at www.darslaw.com

This e-mail and any attached documents are intended only for the addressee names above and may contain confidential information belonging to the sender which is legally privileged and confidential. If you are not the intended recipient, any disclosure, copying or distribution of the contents of this e-mail is strictly prohibited. If you have received this e-mail in error, please notify us immediately by responding to this e-mail or by telephone.

Disclosure under IRS Circular 230: In compliance with U.S. Treasury Department Regulations, please note that, unless otherwise expressly stated, nothing contained in this communication (including any attachments) is intended to be used or relied upon, for the purpose of (i) avoiding penalties that may be imposed under the Internal Revenue Code and/or (ii) promoting, marketing or recommending any tax transaction or matter addressed in this communication. Any taxpayer should seek independent tax advice with respect to any federal tax transaction or matter addressed in this communication.

LAW OFFICES
SERIO & HIGDON, P.A.

SUITE 110 - YORK GREEN
1300 YORK ROAD
LUTHERVILLE, MARYLAND 21093-6000

TELEPHONE (410) 828-1946
FAX No. (410) 828-6635

WWW.SERIOHIGDON.COM
JHIGDON@SERIOHIGDON.COM
JBLARRIMORE@SERIOHIGDON.COM

JEFFREY F. HIGDON
JAMES B. LARRIMORE

C. JOHN SERIO (1921-1988)

June 17, 2010

Via e-mail to: amangen@communitymanagers.net
raina.rath@lakesidetitle.com

via fax to: (410) 997-8876, and first-class mail

Board of Directors
OELLA HOMEOWNERS' ASSOCIATION, INC.
c/o Mr. Alan Mangen
American Community Management, Inc.
9198 Red Branch Road
Columbia, Maryland 21045

RE: Don and Kelly Drehoff
921 Logtown Road

Dear Board of Directors:

As you know, I represent Don and Kelly Drehoff. I have been provided copies of your letters dated March 8, 2010, and May 21, 2010, regarding the alleged fence violation.

Mr. Drehoff refers me to the Board's meeting of February 15, 2010, at which both he and his wife attended. The Minutes reflect that he expressed his sense that the Board was being unresponsive by not timely addressing the issue, as no decision had yet been made since the Board held a hearing on the violation on December 19, 2010, two months earlier, at which hearing I attended. President Rath indicated that he "should have received a letter proposing the use of a community mediator". He of course had not received any such letter.

At the meeting on February 15, Mr. and Mrs. Drehoff clearly accepted the proposal for mediation, mediation (and the cost to the HOA) was briefly discussed, and President Rath advised that the Board would send my clients a list of mediators. That list has not yet been provided, and my clients have been waiting for the Board to act on its word.

Board of Directors
OELLA HOMEOWNERS' ASSOCIATION, INC.
c/o Mr. Alan Mangel
American Community Management, Inc.
June 17, 2010
Page -2-

That letter was not mailed by the property manager until March 8, 2010. It has not been explained why it took almost three months after the December hearing and three weeks after the February meeting to send the letter.

The content of the letter dated March 8, 2010 clearly failed to reflect the events that had transpired at the February 15 meeting, and it should have acknowledged the agreement of both sides to mediate, and the Board should then have provided the list of mediators.

The Board has failed to follow through with the agreement and commitment that was made on February 15, 2010. Instead, the letter dated May 21, 2010 indicates that my clients failed to respond to the offer of mediation, and the Board is now proceeding to a fine hearing. The Board has failed to acknowledge that my clients did accept mediation at the February meeting, in the presence of the Board members and other persons present, and my clients have not failed to respond.

Under these circumstances, the Board is unjustified in now proceeding with a fine hearing, after the Board's proposal for mediation was clearly accepted.

Despite the course of action now being undertaken by the Board, which appears reckless, in bad faith, with malice, and without justification, Mr. and Mrs. Drehoff remain willing to engage in meaningful and good-faith mediation discussions of the dispute, PROVIDED the fine hearing, scheduled for Monday, June 21, 2010 is immediately CANCELLED. I am further requesting that the Board immediately send to me the list of proposed mediators, which we will promptly review, and select one or more persons.

Please confirm in writing by 2:00 pm Monday, June 21, 2010 that the fine hearing is cancelled.

Very truly yours,

SERIO & HIGDON, P.A.

By: */s/ James B. Larrimore*
James B. Larrimore

cc: Mr. and Mrs. Drehoff
HOA/DREHOFF-OELLA/ BoD mediation ltr