

MARCH 11, 2009
SPECIAL TOWN MEETING MINUTES
DRRA LAKESIDE – GOOD FAITH COMPLIANCE REVIEW
7:30 p.m.
Trappe Town Hall

A Special Town meeting was opened by President English and called to order at 7:00 p.m. Commissioners Walter Chase and Cheryl Lewis were present. Ms. Brynja Booth, Town Attorney was present.

President English turned the meeting over to Ryan Showalter Attorney for Trappe East Holdings, LLC.

Mr. Showalter: In 2006, the Town Council approved the establishment of a PN zoning district and approved a PUD Plan and design guidelines for the mixed-use project known as “Lakeside” (formerly “Trappe East”) (the Project”). The DRRA vesting these approvals was entered into between the then-contract purchasers of the Project site and the Town and was effective on March 1, 2006. The DRRA requires bi-annual Town Council review of the Petitioners’ compliance with the provisions of the DRRA on or before each even numbered anniversary of the Effective Date thereof. The bi-annual compliance review process provides the Town an opportunity to periodically review the project’s implementation and ensure compliance with the project conditions.

The Good Faith Review is triggered by the Town’s notice to the Petitioners pursuant to Section 13.1. In light of the fact that no development activity occurred on the Project site from the effective date of the DRRA through March 2008, the first good faith compliance review was not initiated by the Town until December 9, 2008. By letter dated December 9, 2008, the Town Attorney provided notice of the first DRRA Good Faith Review to occur on March 11, 2009, a copy of which is attached as Exhibit A.

Due to the current status of the housing market, no construction related to the Project has occurred during the initial reporting period.

Subsequent to the execution of the DRRA, the initial petitioners and signatories to the DRRA, each of which was a contract purchaser of one or more parcels of land comprising the Lakeside project site, organized Trappe East Holdings Business Trust, a Maryland business trust (“TEHBT”), for the purpose of holding title to the Project site. All beneficial owners of TEHBT and the principals responsible for decision making of TEHBT and the implementation and performance of the DRRA remain the same.

Since the effective date of the DRRA, TEHBT has acquired fee simple ownership of the entire Project site with the exception of approximately 2.359 acres of land currently owned by D. Estelle and Elizabeth Slaughter. Such land remains under contract to Slaughter Land LLC, a party to the DRRA. TEHBT acknowledges that the DRRA is

binding upon the foregoing properties and, upon conclusion of this Good Faith Compliance Review, intends to execute with the Town and record an Estoppel Certificate and an Assignment and Assumption Agreement to reflect the Town's good faith compliance determination and TEHBT'S ratification and assumption of the DRRA.

Information Required Pursuant to Section 13.3

Housing Unites Developed (by number, type and location):

No housing units have been constructed on the Project site since March 1, 2006.

Infrastructure Installed (by category and location):

No infrastructure has been constructed on or off of the Project site since March 1, 2006.

Status of participation by Petitioners and others in the provision of or financing of public infrastructure:

Pursuant to Resolution No. 2-2006, the Town of Trappe established the Lakeside Special Taxing District to secure the repayment of special obligation bonds to be issued by the Town to finance public infrastructure for the Project. On November 7, 2007, by Ordinance No. 11-2007, the Town authorized the issuance of special obligation bonds for public improvements within Lakeside in an aggregate principal amount not to exceed \$60 million, provided that such bonds and the interest thereon shall never constitute a general obligation debt of or a pledge of the Town's full faith and credit or taxing power. On November 5, 2008, by Ordinance No 8-2008, the Town extended the time period for issuance of such bonds through December 31, 2009.

Proposed dedications of infrastructure offered by Petitioners:

Since the Petitioners have not constructed any infrastructure to serve the Project, Petitioners also have not offered or proposed the dedication of infrastructure since March 1, 2006.

Additional compliance matters offered by Petitioners:

At all times since March 1, 2006, the Petitioners have strictly complied with all obligations established by the DRRA. Upon the Town's election pursuant to Section 5.4 of the DRRA, Petitioners promptly and on a continuing basis paid the Town for the Police Department funding obligations. As a further demonstration of Petitioners' commitment to the Project and good faith compliance, upon request by the Town Council in November, 2008, Petitioners agreed to extend their obligation for financial support of the Town Police Department under Section 5.4 by one additional year. Similarly, the Petitioners have performed and continue to perform their obligations under Section 5.6 to provide funding for the Town Planner.

Conclusion:

Based upon the foregoing, TEHBT and Slaughter Land LLC respectfully request the Town to confirm the Petitioners' good faith compliance with the DRRA from the date of its execution through March 11, 2009. Petitioners understand that the next Good Faith Compliance Review will be initiated by the Town to occur in 2010 in accordance with the DRRA. Finally, Petitioners request that the Town memorialize its good faith determination by adoption of a resolution that authorizes the execution of an Estoppel Certificate and Assignment and Assumption Agreement consistent with Exhibits G and H of the DRRA.

President English requested in writing that there has been an extension of two years for the Town Police Department. Attorney Booth stated that she would prepare a letter of agreement that would be separate from the resolution and would ready for the April meeting.

Motion was made by Com. Lewis to approve Resolution 1- 2009 of the Town of Trappe of good faith and compliance and review for Lakeside with exhibits attached. Motion was seconded by Com. Chase.

Vote:

Lewis – Y English – Y Chase – Y

Motion was made by Com. Chase that the Estoppel Certificate will be signed. Motion was seconded by Com. Lewis

Vote:

Lewis – Y English – Y Chase - Y

The meeting was adjourned at 7:18 p.m.

Respectfully submitted:

Joedy Cecil, Clerk

Approved: Don English, President