

President's Report

May 24, 2022

The Summer season is almost upon us. We have had such a cool spring that the lake is still chilly, only 60 degrees last week. Please review the boating rules so we have a safe boating season this year. There is a 100 foot no wake zone around the perimeter of the lake and docks in the high- speed area. All coves are no wake zones. If a skier is down, put up your orange flag to help warn people someone is in the water.

The 50th anniversary weekend was a wonderful celebration with something for everyone. There was music, food, competitions, scavenger hunts, boat rides. Poster size photos of Lake Holiday by very talented Erik Zimmerman were installed in the clubhouse in time for the anniversary. The Winchester Star came up to Lake Holiday to do an article to commemorate the community's progress. As part of my report this month I have included a history timeline of Lake Holiday since its beginning in 1970. If you take the time to read it, you will see that we have weathered some difficult issues over the last five decades. Since 1998 we have had some hardworking, wise board leaders that have helped us become the thriving community that we are today. We have learned from the past and there is a bright future to look forward to.

Beach II is just about ready for its grand opening! The parking lot has been asphalted and striped and all signs are in place. Sleigh Drive has become a one way circle, so please be careful. The new concrete marina path to Dock C was completed last week. New canoe and kayak racks will be placed near the existing ones when maintenance has time to build them. The maintenance crew have been working hard to make the common areas look great as summer begins. The beaches have been smoothed, mulch has been placed in the flower beds, grass has been mowed.

For the Board to discuss at the meeting:

Does the Board wish to have certain portions of the website password protected?

We will have a special board meeting for a presentation from Jim Pagenkopf of Lake Committee on the committee's approved plan for preserving and protecting the health of our lake. There will be several action items that the board will need to address as a result of the presentation. We will have to set a date and time for this meeting in June or July.

Pat Majewski

The History of Lake Holiday

- The Developers (Don Bayliss, Eugene Bayliss, and Harold Moss), from **1968** through 1971, purchased multiple farm properties and orchards comprising about 2,000 acres around Isaacs Creek to create the community.
- The Developers incorporated in August **1970** under the name Lake Holiday Golf & Country Club, Inc. which was officially changed a month later to Lake Holiday Estates.
- The Lake Holiday Estates Utility Company was formed in August **1970**.
- The Summit is established as one of four new recreational developments in Frederick County. (Two others – Shawneeland and Mountain Falls/Wilde Acres are also being developed). The Summit project was to include 1800 acres and 2500 quarter-acre lots.
- The original community was envisioned and advertised to be an “ultra-modern private development for members only” that would eventually be a property owners association with central water and sewer, a 300-acre lake, air strip, large recreation center with dining and dancing, swimming pools, tennis courts, ice skating, 18 hole golf course, several white sandy beaches, docks, separate trout and bass lakes for fishing only, permanent homes in a separate section, second homes in their own section, several plans to select from and builders to choose, buy your lot now and build later, heavily wooded, camping area, toboggan and ski slopes, round the clock guards, complete shopping facilities, prices for a lot starting at \$3950. (June 20, 1970 ad)
- In September **1970** Section One is platted.
- When the Developers originally filed their preliminary master plan with the federal government (HUD) they hoped the land would perc and they could utilize wells and septic. The first house built on Sunset Circle originally had well and septic. (file is in county planning commission)
- When the preliminary master plan was filed with Frederick County, the county wanted the community to have its own water and sewer system and threatened to prohibit the development if the Developers did not comply.
- This event increased the funds required to create the community. In August, **1971**, Lake Holiday Estates entered into a partnership with US Financial-Northeast, Inc. They called themselves Lake Holiday Associates. This partnership gave the Developers the ability to secure a mortgage of \$13 million through US Guaranty Capital.
- The infrastructure began to be built and people began purchasing lots. Most of the original lots were sold under installment land contracts with Lake Holiday Associates holding the mortgage and deed until the price was fully paid off.
- The dam was built. Hurricane Agnes rapidly filled the lake to a foot of topping the dam.

- In August, **1972**, US Financial-Northeast assigned all its rights and interests over to Lake Holiday Estates for it was declaring bankruptcy. Another official name change occurred back to Lake Holiday Estates. The deeds for property were amended from Lake Holiday Associates to Lake Holiday Estates.
- Properties were not getting sold as rapidly as expected. The Developers began to struggle with paying off their \$13 million dollar loan as well as other smaller loans they acquired when this amount fell short.
- The property owners' association, Lake Holiday Country Club, Inc. (LHCC) was incorporated in January, **1973**. The Board of Directors consisted of 4 people, the Developers and their attorney.
- The first nine holes of the golf course were completed and opened in 1973. There was a functioning pro shop. A ski lodge and ski slopes were built and opened. The clubhouse was designed and begun to be built. There were two sandy beaches and 60 marina slips.
- In May **1974**, US Dept of Housing and Urban Development (HUD) Office of Interstate Sales and Regulations lodges a complaint with Lake Holiday Estates, Inc. President L. Howard Moss. The complaint states the developer is operating with a deficit in retained earnings and may not be able to complete promised facilities. The HUD letter was prompted by a March 1974 complaint from an Alexandria law firm.
- In November **1974** the final section of the development, Section 12 was platted.
- In December **1974**, The Summit is cut off from funds from US Guaranty Capital, effectively suspending the project. No active land sales or work on roads, water, sewer or other amenities is conducted after this date. (W/S exists only in Sections One and Two)
- LHCC, Inc. (still under Developer control) began collecting assessments from property owners in **1975**.
- The property owners formed a committee to negotiate with the Developer to gain control of the association. Through these negotiations they discovered the serious financial problem the Developers were in. Due to lack of lot sales, they had not been making their loan payments.
- The property owners took over the association from the Developer in October, **1976** and Carl Simms became the President of the Board of Directors.
- Around the same time, IMT (Independence Mortgage Trust), which had purchased US Guaranty Capital, the lender of the \$13 million, instituted foreclosure proceedings against Lake Holiday Estates, Inc.
 - The foreclosure sale was held on the courthouse steps in July **1977**. IMT purchased all the unsold lots and common areas of the development. They did not wish to purchase the Utility Company, so by written agreement with

President Carl Simms, they gave LHCC the funds to purchase the Utility at the foreclosure and this became a subsidiary of the association. Carl Simms became the President of the utility company.

- IMT also agreed to help the Association gain solvency by paying \$5,000/month to help maintain the common areas.
- The “Trust” property included unsold lots in all sections but primarily in Sections 5B, 5C, 9, 10, 11, 12.
- As President of the Association, Carl Simms continued to promise lot owners that funds were being accumulated for water and sewer to be extended to them in the near future. He was gradually able to extend utilities to 3A, 4A, 5A. However, he was unwilling to open up the finances of the association to the property owners. He did not announce Board meetings to the membership and important decisions were being made without the knowledge or input of members. Around this time Carl Simms also became the General Manager of the community. Annual meetings and election of new Board members and officers were not held because there was never a quorum present. Meetings were held in hotels in Winchester due to the lack of a clubhouse.
- The Summit water and waste water treatment plants are repeatedly cited for violating state Water Control Board regulations, including a **1979** raw sewage discharge into the lake and falsification of reports. There were inadequate wells and storage tanks for water. It was discovered that the fire department was helping suck water from the lake into the water distribution system to compensate for lack of water during droughts (this began in 1983 and continued for several years). This water was not treated.
- In **1981**, IMT notified Carl Simms that due to concerns about how the Association was being managed, they would no longer contribute funds to help maintain the common areas. Mr. Simms eventually sued IMT for over \$1 million in past due assessments which he claimed IMT owed to LHCC for the “Trust” properties.
 - The case was moved to US District Court for the Western District of Virginia and was heard in Harrisonburg on June 1, **1984**. The Release and Settlement Agreement was negotiated between both parties that day.
 - The Agreement had IMT conveying over the common areas (the lake and dam, beach one and two, the roads in the developed sections, the clubhouse property, the office property, the gatehouse and entrance, the first nine holes of the golf course, wells and maintenance property), certain undeveloped land, and a number of lots in Sections 1, 2, 3A, 4A, 5B, 6A, 7, 8A to LHCC by special warranty deed. IMT would continue to own about 700 lots. The actual conveyance of the common areas did not take place until December 31, 1984, and those deeds were executed by Independence Land & Capital (ILC), successor to IMT.

- In return, LHCC agreed to the following: 1) acknowledged the right of ILC and its successors and assigns to use the facilities and common areas, however, it was agreed that ILC would not be required to pay dues of any kind to LHCC for ILC property except as set forth in the Declaration of Covenants created as part of this Agreement; 2) that all successors and assigns of ILC would be automatically admitted as full voting members of LHCC upon application of such; and 3) that ILC itself would not be a member of LHCC nor have any vote.
- The Utility Company agreed that ILC and its successors and assigns would be allowed to connect any or all of its property to the utility service provided. The cost of connection would be paid by ILC or its successors in advance of construction.
- It was also agreed that ILC intended to prepare new plats and Deeds of Dedication of their property to benefit persons purchasing that property but consistent with existing land use in the development.
- ILC agreed to grant LHCC the option to acquire, within three years, without charge, the land platted to be the second nine holes of the golf course as long as LHCC submitted within one year a definitive plan for developing those holes, how it would be paid for, and that it would be completed in four years.
- LHCC also agreed to maintain all existing or future roads in the undeveloped sections (9, 11, 12) that belonged to ILC and accept transfer of those roads when they were comparable in quality to other residential roads in the development.
- The ILC Declaration of Covenants attached and ran with the ILC property. It said that someone who purchased a lot on their property would become a member of LHCC and pay assessments, except for a "Developer". No Developer purchasing more than 10 lots would be required to pay dues on any lot purchased by the Developer until owning less than 10 lots. Developer was defined as ILC and any entity purchasing two or more lots for development in a single or series of related transactions.
- The Declaration of Covenants gave ILC the right to amend, supplement, or replace any or all of its covenants or Deeds of Dedication at any time.
- Lake Holiday Estates, Inc. was dissolved **in 1983**.
- Carl Simms and the Board of Directors decided that LHCC did not have the funds to complete the second nine holes of the golf course within the time limit, so a decision was made by the Board to form a corporation, **The Summit Golf Club in 1985** and sell stock to acquire the funds necessary to complete the golf course.
 - By Deed, dated December **1986**, LHCC conveyed the first nine holes of the golf course to the new entity, The Summit Golf Club. \$1 in consideration was paid to LHCC. Carl Simms was still President of LHCC. Apparently, most property owners

were unaware of this conveyance. Carl Simms became the president of the golf club.

- In January **1987**, ILC conveyed the property for the second nine holes of the golf course to The Summit Golf Club, a stock corporation. 25 property owners and other persons purchased stock in this corporation, but Carl Simms and his brother were the majority stockholders. One share was sold for \$1000.
- In **1987**, the first lawsuit was filed by a property owner over Simms refusal to open the association books and records to homeowners. The judge ruled in 1989 in Simm's favor. (The Property Owners' Association Act within the Code of Virginia which requires openness of the association's records to all property owners had not yet been enacted into law.
- In January **1991**, ILC conveyed its remaining property interests at Lake Holiday to IFS Corporation.
- The Summit Golf Club closed the golf course permanently in **1994**.
- During the period of **1992 to 1997** several lawsuits were filed by property owners against LHCC and Carl Simms in an effort to gain access to the financial records of the association. The common areas were being poorly maintained, roads were collapsing, and at times there was no water for residents. Property owners feared that there was mismanagement and that dues were being used to prop up the utility. All of these were unsuccessful until ***Bates v. LHCC in 1992***. The holding in this case granted the property owners the right to inspect and copy records of the association. In 1995 and 1997, LHCC was held in contempt for still not providing financial records. In July **1997**, the circuit court held that the property owners had the right to inspect and copy the records of the utility company.
- Carl Simms continued to make it extremely difficult to see the records of the corporations. A property owners group called Friends of the Summit was created during this time to work together against Carl Simms. Many original property owners who are now gone participated in this effort and sent out newsletters and mailings. Six attempts in total were made to inspect financial documents at the Summit Office. Management did not keep any of the appointments.
- In **1998**, Alan Bloomingdale and Richard Keister, two property owners at that time, filed suit against LHCC alleging mismanagement, fraud, waste and improper conduct perpetuated by the administration of LHCC including its Board of Directors, manager and bookkeeper. The suit requested that the Circuit Court of Frederick County appoint a Special Receiver to manage the affairs of the association.
- Bloomingdale and Keister also filed suit in **1998** against the Summit Golf Club, Carl Simms, and LHCC alleging fraud in the conveyance of the first nine holes of the golf course from LHCC to The Summit Golf Club and the second nine holes from ILC to The

Summit Golf Club. The court found that the affirmative defense of laches applied (too much time had passed since the transfer was discovered and without a legal complaint filed) and the statute of limitations for claiming fraud (2 years) had passed. The golf course would remain the property of The Summit Golf Club.

- In August **1998**, Carl Simms was removed as President and General Manager by the circuit court and Charles Alton, Esq. was named **Special Commissioner**. He was ordered to take over financial management of the association and the utility.
- Afton discovered there was no list of delinquent accounts, no list of existing accounts, no general ledger since 1994, revenue was acquired through selling lots instead of collecting assessments, money was being loaned to the utility and was not paid back nor approved by the board, the last documented annual meeting of the owners was in 1989. As of September, **1998** there was approximately \$1300 in cash available to pay for \$350,000 in liabilities. There were no reserves. About \$800,000 in assessments were outstanding. The utility had approximately \$22,000 in cash. A CPA expert witness stated LHCC was insolvent due to “gross mismanagement not simple negligence”.
- In September **1998** the Court under Judge John Wetsel , Jr. declared an emergency situation because neither LHCC nor the utility company had sufficient funds on hand to pay their past due accounts and current operating expenses. A moratorium was declared on building homes because the court ordered no new connections to the water and sewer system pending examination of the condition and capacity of the system.
- The Commissioner ordered significant increases in the assessments and utility fees. This was the first time the assessments were increased since the 1980’s. The assessments had been annually collected prior to this and now became monthly. Financial records were a mess or non-existent and many property owners had not paid any assessments for many years. The Commissioner advised the property owners of the significant debt owed by the association and proposed a budget that would keep the association and the utility solvent.
- On December 12, **1998** the first election since Carl Simms took over as President was held for both the Board of LHCC and the Board of Lake Holiday Estates Utility Co. (LHEUC). The new board members managed the corporations under the oversight of the commissioner.
- The August **2000** report of the Special Commissioner stated that the sewage treatment plant had reached its practical capacity and a new facility would need to be built. The WWTP would be expanded to double its capacity, allowing 270 more homes to be built. This construction was funded by a special assessment.
- The expansion to the wastewater treatment plant was completed and put on line in July **2002**. On August 1, 2002, a final order by the court lifted the building moratorium and **dissolved court-ordered supervision** of the community.

- Roads were completed, repaired and many were paved for a total cost of \$200,000 also collected by a special assessment.
- On November 19, **2002, Lake Holiday, LLC** acquired by deed Sections 5B and 10 of Lake Holiday Estates from IFS. On December 9, 2002, Lake Holiday Land, Inc. acquired Sections 5C, 9, 11, and 12 of Lake Holiday Estates from IFS. The purchase price of all the property was around \$1 million. These development companies were a partnership between Oakcrest Builders of Winchester and Miller & Smith of Fairfax.
 - A Development Agreement was signed by Lake Holiday LLC, Lake Holiday Land (both=LLC) and the President of LHCC in **2004** and subsequently restated and amended in June 2006.
 - The Agreement stated that \$150,000 was contributed by LLC towards renovation of the basketball and tennis courts and to the engineering and design of the clubhouse. If LHCC proceeded with construction of the clubhouse, LLC would contribute \$300,000 towards its completion and would assist in securing financing for the remaining construction costs.
 - LLC, at its expense, provided the design services and construction management for the renovation of the gatehouse and entrance to the community. LLC also provided, at its expense, the billboard on 522, the community signs and mail facilities as expansion occurred.
 - If LHCC secured one fully ratified Amended Deed of Dedication for the entire community which would provide LHCC with authority to lien a specific lot for improvements associated with that lot, LHCC and LLC would form a joint venture, conditioned on economic feasibility, to improve lots. The improvement would include the installation of the infrastructure necessary to convert Membership Lots to Water and Sewer Lots. The costs would be divided between the Lot Owners, LHCC, and LLC.
 - LHCC agreed to development accommodations in this agreement such as model homes, signage, and master plan revisions. Lake Holiday, LLC planned to build 50 homes a year.
 - LHCC's attempt to have the property owners approve an all-inclusive Amended Deed of Dedication and amended Bylaws and Articles of Incorporation for the community failed. 2/3 of the members were needed to vote for the amendment.
 - LLC amended and restated its own Declarations for Sections 9, 10, 11, and 12.
- In February **2006**, LHEUC, LHCC, and Aqua Lake Holiday Utilities filed a joint petition with the SCC for authority for the utility assets to be transferred to Aqua and to propose new utility rates by Aqua.
 - Aqua purchased the utility company officially on December 31, **2006**.

- The clubhouse was renovated and completed in **2007**. A mortgage was taken out to help pay the cost of the building. This loan was paid off in **2020**.
- The Summit Golf Club was advertising the golf course property for sale for around \$1.5 million.
- Thirty-seven non-utility lot property owners and **Ogunquit Development** (owner of 31 lots, 23 were non-utility lots) filed a lawsuit against LHCC in **2006**. The complaint stated that LHCC did not meet the definition of a statutory POA and therefore was unable to file liens against property for unpaid assessments nor conduct non-judicial foreclosures. LHCC could not amend its Deeds of Dedication without unanimous consent of all property owners. LHCC also was unable to collect assessments from property owners. Bemis et al asked the Court to declare LHCC was not a POA and to return all collected assessments to property owners and remove all liens.
 - Judge Prosser presided over the case in Circuit Court. Multiple attorneys were hired by various property owners and the LLC entered the case with its own attorneys.
 - The case was dismissed in **2008** during the Motions phase with the Final Decree stating that LHCC is a statutory POA.
- Oakcrest and Miller & Smith built many homes primarily along the area of Country Club Drive in Section 10.
- The **dam spillway** had conditional two year permits from VDEQ for several years. When originally constructed, the dam complied with all existing federal and state standards in place at the time. Then the state revised its regulations to require, among other things, that the spillway be capable of accommodating a Probable Maximal Flood Event (PMF – the flood expected from the most severe combination of weather and water conditions in a particular drainage area) The LH dam was required to meet probable maximal precipitation of 40 inches of rain in a 72-hour period. Also, the apron on the backend of the spillway was eroding.
 - Beginning in **2004**, the LHCC Dam Task Force and the board of directors engaged in continuing dialogue with the state dam regulators to define what would need to be done to bring the dam into full compliance.
 - A petition was filed by property owners within LH with the Circuit Court of Frederick County asking to have a Sanitary District created. The court approved the creation of the LH Sanitary District in Oct **2009**.
 - An agreement was reached with Frederick County Board of Supervisors in June **2010** to have the county provide oversight of the spillway project and manage the finances of the SD.

- A referendum on borrowing the required bond funds from the state to modify the spillway was held in conjunction with the November **2010** election and the referendum was approved by LH voters by a 633 to 58 margin.
- LHCC entered into a contract with an architectural firm to produce detailed designs for a modified spillway. The contract produced design drawings and construction cost estimates by the summer of **2010**. Oversight of the renovation by a dam engineering firm would be the responsibility of Frederick County.
- In April **2011**, the BOD approved the Local Bond Sale and Financing Agreement with the Virginia Resources Authority. A loan of \$9.245 million from the sale of state bonds payable over 20 years was to be collected by the county as a SD tax by LH property owners twice a year. The county administers the loan and makes payments four times a year to VRA.
- An easement over non-LH property and back road for the south side property owners was created since there would be no access over the dam during construction.
- New spillway construction with a state-of-the-art weir structure and a new road and bridge over the spillway were completed in **2013**.
- A wrongful death lawsuit was filed against LHCC in **2010** for negligence in hiring, training and supervising its lifeguards in causing the drowning death of a property owner. \$4 million was sought in compensatory damages and \$3 million in punitive damages. The case went to mediation in **2015** and settled for an undisclosed amount paid by LHCC's liability insurance.
- Shortly after the Sanitary District was formed, LLC stopped paying all the taxes owed on its properties that houses had not been built on. This included all lots in Sections 9,11,12, some utility lots in Section 10 and large parcels of open land.
 - LLC offered to give all this land to LHCC if we paid the overdue taxes which came to about \$175,000. They were planning on pulling out of continuing to develop in the community.
 - When the Sanitary District was formed, Frederick County was not assessing SD tax on LHCC common areas. When the county became aware of the potential land gift, they notified LHCC that there would be a SD fee assessed on all our common areas including each lot in Sections 9, 11, 12. This made the land prohibitively expensive to acquire.
- LHCC filed a lawsuit against the Frederick County Board of Supervisors and the Treasurer in **2014** claiming it was not legal to assess taxes and fees on association-owned common areas. In **2015** an acceptable settlement in favor of LHCC was reached.

- The agreement with the county allowed LHCC to acquire 541 individual lots on the south side of the lake and consolidate them into one large common area – never to be built on.
 - LHCC also acquired 10 parcels of open land throughout the community which also were turned into common area.
 - These land acquisitions **completed the LHCC community** as it was originally envisioned in the master plan filed with the county.
 - LHCC did not have to pay SD taxes on any of those properties. Overdue property taxes of about \$100,000 were paid.
 - In November 2015 the Board of Supervisors adopted a zero assessment for LH common areas. In **2016** the suit was dismissed.
- In **2014**, LHCC, through the Land Advisory Committee, negotiated with Aqua to lower the cost of extending water and sewer mains when paid for by lot owners. Two lot owners took advantage of this change leading to Aqua extending utilities around the Sleigh Dr circle and Beach 2 which provided service to 14 more lots. In **2022** several more houses have been built there and two more are being built.
 - Circa **2014**, LLC sold its remaining buildable lots in Section 10 to Dan Ryan Builders. They completed the build out and sold all the lots they owned primarily on West Masters.
 - In **2011**, LHCC formed the Golf Course Advocacy Committee to develop a relationship with Carl Simms, majority owner of the golf course, to try to help him find a buyer. Through those efforts, the **Golf Course Development Agreement** was ratified by LHCC and The Summit Golf Club in **2012**.
 - In this agreement Simms agreed to sell the property to someone who would develop a golf course and provide those plans to LHCC prior to ratifying a sales contract.
 - In return, LHCC would allow that buyer/developer to create 10-15 lots on the golf course property and use the lake for irrigation.
 - In November **2014**, a Chinese company, Holiday Entertainment Holdings, became interested in purchasing the golf course property and offered Simms \$600,000 in a sales contract with a 45-day due diligence clause where they could still get out of the contract and get their deposit returned. There was a March 2015 closing.
 - Representatives of the company and Mr. Simms met with LHCC in Jan 2015 and it was discovered they had no interest in developing a golf course, but did want to create a new development including 200 condos, short-term time share rentals and commercial operations for their clients coming from outside of the country.

- Since LHCC did not own this property and there was no Deed saying what could be done on the property, anything could be built on it. The owners would not have to pay assessments to the association but would still be using our roads and entrance to the community. (Original IFC Deeds gave the golf course perpetual easements to the roads for its use.)
- LHCC initiated a lawsuit in **Jan 2015** against The Summit Golf Club for breach of the GC Development Agreement which effectively put the sale on hold. There could be no settlement with new owners until further negotiation with LHCC took place. The Chinese company walked away from the deal.
- In **May 2015** a settlement was reached with The Summit Golf Club which led to an agreement for LHCC to purchase the 203 acres of open land in the middle of the community for \$600,000.
- A loan was taken out to fund the purchase and in **2021** the loan was paid off.
- In **October 2016** there was a blue-green **algae bloom** in Lake Holiday leading to closing the lake for a brief period. This led to the realization that the lake was a living organism that needed to be cared for and maintained in order to stay healthy. A Lake Management Company was hired in **2017** to perform various evaluations and studies. The company performs water quality testing for LHCC yearly and plans for further protecting the lake will be presented to LHCC in **2022**.
- In January **2017**, the administrative office was moved from the old farmhouse on Redland Road (which had no A/C, a leaking roof, and mold issues) to the clubhouse. In 2019 the old farmhouse was torn down.
- During years **2018-2020**, LHCC non-utility lots were turned into common area. This included many lots in Section 8A and scattered lots in all the other sections. These lots were felt to have very little value for the association since it was unlikely that utilities would ever reach these lots. As common area, no taxes would have to be paid by LHCC for these lots. A few utility lots that were felt to be unbuildable were turned to common area as well and the rest were sold to a builder who is now building houses on them.
 - LHCC no longer owns any lots or parcels that are not common area.
 - In **2021**, the golf course property was turned into common area.
 - These changes have saved the association \$80,000 in taxes a year.
- Beginning in **2017** a 10-year Master Plan and Capital Improvement Plan allowed funding to be collected for development of new amenities in LHCC. To date a disc golf course and dog park have been added. A site plan was approved by the county to modify and improve Beach 2. The land works contractor began working in late 2021. The plan which includes an enlarged and flattened beach and asphalt parking spaces will be completed in May 2022. The marina docks were entirely reconfigured which allowed

the addition of 13 more dock spaces. New ramps and a concrete pathway to the farthest dock was completed in May 2022.

- Other amenities planned for 2022 and 2023 include exercise stations on the walking trails, playground, a large picnic pavilion at Beach 2 and at Country Club Park (former golf course property).
- There are also plans to pave and concrete the drive around the trash compactor and improve three mail station driveways.
- A site plan is being completed that will double the parking spaces at the clubhouse, provide dedicated boat trailer parking and spaces for up to 10 food trucks which have been coming to LHCC on weekends and for special events since 2019.
- LHCC will be refreshing the clubhouse in 2022 with painting and new carpeting throughout, additional acoustical tiles on the ceiling of the great room, room darkening blinds and window film and beautiful poster-size photos of the lake. The outdoor bathrooms are receiving new counters and sinks. Landscaping will be spruced up at various high visibility locations throughout the community.
- LHCC today has established and maintained a strong balance sheet with sufficient reserves. There is no long-term debt. Our operating account has over a million dollars, our reserve fund has over \$2million and we have \$3 million in assets.
- In October 2021 LHCC paid a substantial principal payment (\$2.5 million) toward paying down the loan from Virginia Resources Authority for the new spillway. This will most likely allow The Sanitary District to entirely pay off the bond early in 2025.

We have learned from the past, made wise decisions, worked hard and are looking forward to a bright future!