

**Adhoc Meeting of Concerned Property Owners
To discuss transition to a Property Owner run
Runaway Bay Homeowners Association
Meeting Minutes
November 1, 2003**

Lot Owners Present:

Barry and Carol Swinehart
Stan and Helen Goldsmith
Kyle Goldsmith
Pete Reinhardt
George and Sandy Lacombe
Bill and Sue Wallace
John and Mary Jane Banyl
Bruce Buley
Dorsie Harrison
Mike and Christine Lobue
Jim and Beth Slagle
Roger and Judy Winters
Fred and Karen Bragg
Don and Jan Perry

Invited Guests

Lois Spencer, President, Association of Lake Area Communities (ALAC)
Jim LeClerc and Tony DeCesare, President and Vice President, Admirals Landing HOA

At 7 pm, the meeting was called to order and introductions made by Bill Wallace, unofficial Chair. He stated the purposes of a Home Owners Association (HOA) are as follows:

- To promote a community concept
- Protect property values
- To promote security

The covenants of Runaway Bay, established by the developer Virginia Waterfronts, Inc. (River Oaks Development Investments of Virginia, Inc.), which mandates that each property owner is a member in the Runaway Bay HOA. There are two covenant documents. The first is the Declaration of Restricted Covenants of Runaway Bay, which deal with the basic establishment of homes and requirements for homes on the properties. The second document, Covenants, Conditions and Restrictions or CCR, states that there are two classes of voters:

- Class A, the lot owner who gets 1 vote
- Class B, the developer who gets 10 votes for each lot owned.

There is a 5-person board solely appointed by the developer. This board makes the rules and regulations for the HOA. To our knowledge, no one from the Class A members is currently a member of this board, though the covenants allow for this.

The HOA Board of Directors is supposed to meet annually, but Runaway Bay residents have not been made aware of when these meetings occur, and no lot owner of Runaway Bay, to our knowledge, has ever been notified of these meetings.

It is thought that River Oaks Development, the developer, will soon notify property owners of Runaway Bay of their option to dissolve Class B membership, and that it is time to transfer control of the Runaway Bay HOA from the developer control to property owner control. The developer has met the minimum 90% requirement of lots sold, which could trigger turnover to Runaway Bay residents/lot owners possibly within the next four months. The residents/lot owners of Runaway Bay should be ready for this occurrence.

Stan Goldsmith, A property owner: Spoke on Runaway Bay Road Custodianship. The Virginia Department of Transportation (VDOT) is planning to take over the Runaway Bay Road system. Stan indicated that the turnover is “on hold” until the final cleanup is done by the developer which is ongoing. Turnover could possibly be mid winter or spring. Cleanup is being done at this time. The main roads will be taken over by the state, and VDOT will be responsible for snow removal and maintenance. At this time, the following roads are ready to be taken over by the state:

Chase Run

Acres Court.

Hidden Cove

Thomas Court

Runaway Bay Road

Questions remain about the takeover of the remaining roads, the maintenance of the small roads to interior lots and common properties.

Lois Spencer, President of ALAC: Gave a brief history of ALAC or Association of Lake Area Communities, which was started about 7 to 8 years ago and currently has 68 different HOAs as members. ALAC helps answer questions and concerns associated with insurance and legal problems HOAs face. ALAC conducts workshops for member HOA's. It also keeps HOA's current on the changing real estate laws and keeps people informed of hearings. ALAC has published a guidebook on the topic of managing an HOA. Membership in ALAC is \$25 per year and everyone present thought that this was something that we should strongly consider.

Admirals Landing HOA: They shared with the group the lessons learned in the turn over from the developer to HOA property owners. They shared their financial, developer, and legal problems and stated that they wished that they had been more proactive in forming a transition group since they experienced and are still experiencing many problems. They stated their attendance at this meeting was very informative and thanked the group for inviting them.

Jim Slagle: A property owner, but not yet a resident of Runaway Bay gave advice on the transition from developer to HOA property owners learned from his experience on several HOA transitional committees. He discussed liability insurance, VDOT, easement,

reserve account requirements, setting up an advisory committee to work with the developer board before transition, turning one aspect of the transition over at a time, potential legal problems and the establishment of a homeowner committee as soon as possible to ease the process of transition.

After discussion, a motion was made and seconded to form a Transition Advisory Committee to establish lines of communication and a liaison to the current developer board for the sole purpose of preparing for homeowner assumption of HOA responsibility. This committee plans to meet and draft a letter to all owners of Runaway Bay property indicating the establishment of this committee and reasons why we felt such a team was necessary. All members of the Transitional Advisory Committee are voluntary, pro bono members.

Members nominated to this committee are as follows:

Roger Winters, President

Mike Lobue, Vice President

Jim Slagle, Webmaster, and liaison to non-resident property owners

Karen Bragg, Secretary

Jane Long, Treasurer

Respectively submitted,

Mary Jane Banyl,

Acting Secretary, Adhoc Property Owners Meeting