

Runaway Bay Transition Advisory Committee (TAC)
Meeting Minutes
November 9th, 2003

The first meeting of the Runaway Bay Transition Advisory Committee (TAC) was held on Sunday, November 9th, 2003 at the home of the President, Roger Winters. Those attending were Roger Winters, President; Mike Lobue, Vice President; Jane Long, Treasurer; and Karen Bragg, Secretary; with Jim Slagle, Web master and non-resident property owner representative on conference call.

Roger called the meeting to order, and laid out ground rules for participation in committee meetings, i.e. everyone's input is valued, we will vote on all decisions and Roger will ensure no one monopolizes the meeting. The first discussion centered on Roger's suggestion on an acronym for the committee. The five members voted unanimously that we should be referred to as TAC. The TAC agreed to meet every two weeks for the remainder of the year 2003 in order to be more aggressive and productive in our efforts. The next meeting will be 11/24 with each member to report on assigned tasks.

Roger opened discussion on how this advisory group will work towards the election of a permanent Homeowners Association (HOA) Board and officers, and on how we might need to acquire a management agent or group to run the day-to-day HOA business. Also discussed was the need for a legal representative to advise us during transition to property owner control of the HOA. Each member agreed to contact local lawyers to see who might be willing and knowledgeable to represent our organization in this undertaking.

Roger also opened discussion on insurance issues and Jane Long agreed to make inquiries on rates for homeowner liabilities. Everyone recalled that at the 11/1/03 initial development meeting we were advised to acquire insurance by the President of ALAC (Association of Lake Area Communities). Jim mentioned that we actually needed three kinds of insurance.

1. General liability
2. General replacement cost
3. D & O insurance - liability insurance for Directors and officers of the HOA.

Mike Lobue suggested that we begin negotiations with River Oaks Development/Waterfront Properties as soon as possible. Mike took the task of listing the primary concerns to be taken to River Oaks and Roger took the task of writing the letter to be sent to that current Developer run HOA board. Karen Bragg took the task to verify the names, positions and addresses of such board members and to try to obtain transition information from other River Oaks communities.

Jim Slagle suggested that we should request that River Oaks/Waterfront Properties, the current Developer HOA, assist us with the mail distribution to the property owners.

The group discussed the letter to advise the property owners of the pending HOA transfer. We agreed that the letter should be specific to the transfer and that an additional short note would be sent at the same time requesting donations to be used for legal fees, postage, and any other possible fees resulting in the transfer, prior to receiving the actual HOA dues from River Oaks.

It was agreed that Roger Winters will prepare the introduction letter to River Oaks, and that Karen Bragg and Jane Long will prepare the voluntary contribution letter.

Roger made a suggestion that we investigate the possibility of a future newsletter. We discussed the fact that we would have to determine cost and that the WEB site might be used instead. We discussed the fact that some property owners may not have Internet access. This issue has been tabled for future discussion. The committee agreed that more pictures should be placed on the Web site in order for those using the site to be able to see the improvements in the development and to remind those property owners of the beauty of our lake and the development. Jim is to begin work on this issue before the next meeting.

Roger proposed using Mike's "Action Item List" vice a detailed written transition plan but with notes that would make it clear as to our purpose for each task. These notes on the list would explain the "why, when, where, what..." of each task so there is little doubt to what is needed, by whom and when. We voted to accept this approach to our issues and build on our list of action items, which currently are:

Current action items include:

- . Send E-mail to property owners
- . Send letter to River Oaks to open communications
- . Develop pre-transition funding requirements
- . Acquire services of a lawyer for pre-transition through transition

Discussion items with River Oaks include:

- Possibility of representatives attending Board meetings
- Begin taking over some functions of HOA
- Request we receive a complete list of property owners
- Request we receive a complete list of common property
- Request study to determine reserve fund requirements (based on recent law changes)
- If one has not been completed; request appropriate assessment for reserve fund in next solicitation
- Ask for status of group piers, (language was stricken in CCR)

Roger introduced discussion as to when we would need an auditor. Response from Jim was that, based on his prior experiences, we should have an auditor prepared to review the books as soon as the transition takes place. We should have audit advice on the requirements on the amount of reserve needed for road, common pier, and all public areas. This is an action item for the committee to discuss in more detail at the next meeting.

After reviewing the tasks assigned to each member for the next two weeks, the meeting was adjourned by Roger.

Tasks:

Roger

Write Letter to Waterfront HOA Board

Prepare List of Skills that could potentially be drawn from Property Owners

Check on Possible Lawyer

Make Follow-up Call to Board after Letter and arrange for first meeting with River Oaks HOA

Furnish Jim with some Lake pictures and Runaway Bay Pictures for web site.

Mike

Prepare List of Agenda Items to be Address with Waterfront HOA

Check on Possible Lawyer

Jim

Find Requirements for 5 Year Reserves

Add More Pictures to Web Site

Jane

Investigate Insurance Rates for Liability Insurance

Check on Possible Lawyer

Set up TAC Checking Account for Contribution Funding

Prepare Contribution Request Letter for property owners wishing to assist us in the transition funding needs

Karen

Prepare Envelopes for Mailing

Prepare Contribution Letter

Obtain Board Names and Contact Addresses

Obtain Contacts of Other River Oaks Developments

Check on Possible Lawyer

Respectively submitted by

Karen Bragg

Secretary