

February 4, 2004 TAC Meeting
With River Oaks Representatives to Discuss the Transition

The TAC team met with three members of River Oaks Development to discuss the upcoming transition of the Homeowners Association (HOA) from developer control to the property owners. The transition and election of HOA Board is tentatively scheduled for 4/8/04. The TAC members present at the home of the President, Roger Winter were Roger; Vice President, Mike Lobue; Treasurer, Jane Long; and Secretary, Karen Bragg. The River Oaks representatives were Amon McCormick, acting HOA President; Eric Lee, Project Manager; and Kyle Goldsmith, local Project Manager.

The three plus hour meeting was successful in reviewing and answering the following points of concern. We felt that River Oaks was well informed and eager to help to insure a smooth transition. However, several issues that will require further research and investigation remain to be resolved.

Points not listed in the original "Punch List" are as follows:

Elections will be by property owner attendance or proxy vote.

A ballot and meeting notice will be sent to all property owners by River Oaks prior to the HOA Board meeting and election of the new board of Directors.

River Oaks stated that prior to the transition, any lots with annual dues in arrears would have liens placed against them.

The HOA board can raise dues by 10% yearly without an HOA vote. This years dues are currently the same as last.

The reserve study, as required by the Virginia Property Owners Association Act, has not been done. However, River Oaks has budgeted for a reserve amount of \$5000. Without a study, we cannot determine the required amount.

Insurance for Directors and Common Areas is currently under the Developer's master insurance plan. River Oaks will set up a new insurance plan for Runaway Bay HOA with a 6 months policy period, following that we can research any new plans or continue that coverage. This covers property and liability insurance for the HOA.

The HOA is currently set up as nonprofit by River Oaks.

River Oaks suggests that we keep charging the \$500 Road Deposit required by the HOA to ensure that contractors clean up roads after construction of new homes is complete. The money is returned to the property owner if the roads are not damaged and the builder has cleaned up any dirt, gravel, etc. on the roads. If damage is not corrected, the deposit pays for the cleanup.

River Oaks will turn over all documentation pertaining to Runaway.

Articles of Incorporation
Recorded Plats
Survey Maps
Tax Records
Yearly Ledgers
Contracts
Invoices
Restrictive Covenants

The following document was provided to River Oaks in advance of the meeting and is included with status updates received from River Oaks at the meeting.

Runaway Bay Transition Advisory Committee

List of outstanding issues and concerns

Property owners want Developer to resolve before transition

(aka the “Punch List”)

These concerns have been collected from the residents of Runaway Bay and submitted to River Oaks Investments, Inc. (the Developer), for resolution prior to transition to Property Owner controlled HOA. Status of all outstanding issues to be addressed at TAC/River Oaks meeting in early February.

1. Current Architectural Review Committee to evaluate the existing properties to verify that everyone is in compliance with the Covenants and assure that any repair or upgrade work is completed. Specific concerns include driveways, mailboxes and foundations.

Response: This committee is still under the original HOA, however, it would be appropriate to review and discuss current issues submitted by a TAC Committee assigned to pinpoint the above mentioned concerns. Mr. Winters will appoint an Architectural Review Transition group to work with River Oaks Architectural Review Committee.

2. Finish all sewer lines and remove any debris from these areas.

Response: All sewer lines have been installed and any remaining debris will be removed.

3. Advise the homeowners of the exact status of each street as far as State Rd. VDOT coverage. Is the whole development now part of the State system? If not, then what must be done to insure that all streets will be covered? Inspect and provide repair to any street not yet under state coverage.

Response: Current Status: (VDOT) control: Runaway Bay Rd (#1170), Thomas Ct (#1171), Hidden Cove Rd (#1172), Acres Ct (#1173), and Chase Run (#1174). Status of remaining roads (Dalton Ln, Bay View, Waterway Ct, Clearpoint Rd, Jeramiah Run, Peninsula Pointe, Indigo Run, Jacobs Hollow) still under study and consideration. River

Oaks is working with VDOT to determine if there is any flexibility in the requirement to have 3 houses on a road before they will take them over. VDOT will not plow roads that they have not taken over.

4. Complete a water facility pump and add electricity to the pavilion (both for safety reasons)

Response: A well has been dug, a pump is to be placed at the pavilion, and electrical service is underway in the form of floodlights.

5. Check all streetlights, the light on Hidden Cove and Bay View has never worked.

Response: The Light is now working, Southside Electric Co. has finished installation at Hidden Cove and Bay View.

6. Complete the lights at the entrance on stone columns.

Response: River Oaks to review whether lights were intended, the reason the lights have not been installed and if the wiring there has a live electrical connection. TBD

7. Repair erosion in the boat storage lot where the water has washed the land away. Put up signs that trash is to be carried off the premises since there is not trash service. If construction folks left trash, Developer to assume responsibility to have debris removed.

Response: Erosion repaired and the lot is now clean.

8. Finish tennis courts (striping, netting, fencing) and pave and light the paths in the park.

Response. Tennis courts are complete. While part of the path is still to be paved, there was no plan to have lighting at the courts. Completion of paths TBD.

9. Repair water erosion from dirt road onto Peninsula Pointe and culvert on Chase Run.

Response: Work has been done on this road, and some reseeding is to be done. It has yet to be turned over to VDOT ... Status TBD.

10. Upgrade and restart the fountain on the Pond on Clear Pointe.

Response: Fountain is now running, and there will be a fountain added to the Pavilion Pond also.

11. Have the boat launch asphalt patched where it is already pulling up and remove any logs around the launch area.

Response: The patching is complete, River Oaks to be sure everything is in order before the transition.

12. Check and repair all community docks, some are twisted, ready to break; some need to be reset where ramps are pulling off. Dock on Acres Ct. and at least two others are damaged.

Response: River Oaks is in negotiations with Rowboat Dock and Dredge and the damaged docks are to be repaired. A list of problems will be to be sent by the TAC to Amon McCormick.

13. Remove any construction equipment when work is completed.

Response: This has been done. TAC will notify River Oaks of any problems prior to the transition.

14. Provide signs for the pavilion and boat launch indicating that these areas are for Runaway Bay property owners only and add a gate to the launch w/same lock code as boat storage. (Liability issues).

Response: These Signs as well as “No Hunting” signs have been ordered. River Oaks verbally agreed to put in steel posts with a chain and combination lock on the boat launch ramp to avoid outsiders using our boat launch and docks.

TBD

15. Verify that all street signs are in place, (street, stop).

Response: Done. Note - See Item 24 also.

16. Also, provide signs that ask facility users to remove their trash from the pavilion since there is no formal trash removal.

Response: This was not to be done by developer. If desired, the new HOA will have to accomplish this.

17. Grading at the Pavilion needs to be redone as the newly seeded mounds surrounding the structure and tennis courts cannot be mowed.

Response: Grading and reseeding will be done as soon as weather allows. TBD

18. Replace all dead evergreens that have been planted, previously.

Response: This has been completed. TAC will check plants before the transition.

19. Provide assistance in obtaining local fire protection, such as water tanks in designated areas, or installation of site Cisterns recommended by the local fire department. We must protect homes as well as wooded lots.

Response: This is in the plan for the local fire department and should be done by summer depending upon funding timeframe. The understanding is that this will be at no cost to our association, and that we will have cisterns in 2 of 3 zones in our community. The third zone is near the boat launch and the fire department plans to pump water from the lake in that zone.

20. Provide complete current copy of Covenants to TAC.

Response: Our association will receive all documentation concerning this development at the time of transition. (Dues information, Budgets, Vendor information, Covenants, etc.)

21. Block old “Jeep” trails that are still remaining and which allow access to lots ... particular issue with lots 67, 68, 69.

Response: Earth Berms will be put up ... Status TBD

22. Remove debris left on open lots. Evidently some builders have dumped unused materials.

Response: Some debris has been removed, however, once a lot is purchased debris falls under the property owner to remove unless it is on the road right of way where it would be a danger.

23. Remove all roadside trees posing danger to falling on roadway.

Response: All previously dangerous obstacles have been removed.

24. Developer to define status and outline plans for improvement of sales access roads to interior lots between Clear Point and Mt. Airy Roads. Currently roads do not support two-way traffic, are not built to handle future construction and/or property owner access, and certainly will not meet requirements by the state to assume responsibility for their maintenance in the future.

Response: This access is for the use of the particular property owners only and is not deeded to the HOA. There is a “right of easement” to cross each other’s property. Developer is looking into this access road being given a street name; the Post Office may be willing to deliver at the junction at Clear Pointe Road. Property owners bear responsibility for this easement, not the HOA. (Note: issue for TAC lawyer to review)

25. Developer to affirm (a) electrical service and (b) telephone service are in place and in operation to serve all interior lots between Clear Point and Mt. Airy Roads.

Response: These lots will have utility services running from Mt. Airy Road. This has been discussed with Southside Electric and Sprint. Southside says service from inside the development would be cost prohibitive and must come to these lots from Mt. Airy Rd.

Respectively Submitted by,

Karen Bragg, TAC Secretary