

Runaway Bay Homeowner's Association, Inc.

Post Office Box 120, Altavista, VA 24517-0120

Phone (434) 309-1727, Fax (434) 309-1747

visit us on the web at www.runawaybayhoa.org

Board Election and General Membership Meeting

The April 2nd meeting of Runaway Bay HOA, Inc. was held to formally elect the Board of Directors for 2005. The meeting was opened by current President, Roger Winters by welcoming the forty plus folks who attended. Roger introduced the current board members and asked those attending to introduce themselves and to name the lots that they owned.

Roger opened the floor to additional nominations, to those previously submitted via proxy votes that included one write-in nominee. There were no additional nominees so Roger asked Julie Moore, Property Owner Services Manager to return any proxy votes requested. A small number of attendees voted by ballot at this time and returned to Julie, who with Nick Reid, a volunteer from those in attendance counted the total ballots received from all members of the association. The meeting continued as the votes were counted.

Roger then opened the floor for questions and comments. The following was discussed.

Ron Long suggested Shields Paving as a possible contractor to complete the paving at the new Cistern sites. Ron also, mentioned that a lake resident is having a lift added to his dock and is working with the contractor on pricing for anyone interested in adding this item within the next few months. This is just one of the ways that folks work to help each other on Leesville Lake.

Another way of cutting cost was mentioned by Nick Michaledies, who informed the group that Shields Paving will be in the area for paving and over coating and hopefully several jobs at one time would reduce costs within the development.

Lynn Stelle noted that Mike Skillman, a local vendor, was being trained on the installation of an aluminum dock system.

Bill Wallace informed the group that docks existing before the August 1, 2003 implementation of the Shoreline Management Plan must be officially acknowledged as “grandfathered” by AEP. Procedures for applying for grandfathered status are outlined in the Shoreline Management Plan, available on-line at <http://www.smithmtn.com>. This process must be applied for by August 1, 2005. AEP must also approve any new docks to be installed on the lake. Roger mentioned that the multi-slip docks at Runaway Bay were previously approved by AEP via the developer and he didn't think they needed to be grandfathered.

Jan Parry noted the professional appearance of the recently installed Cisterns. These 8000-gallon cisterns will provide water to the community for a refill source for fire trucks at anytime needed within this community and outlying areas.

Roger then closed the “open forum” and advised that the board would present and vote on revised resolutions.

The first revision was to the Resolution on Procedures for Collection of Assessments and Delinquent Payments. The revision provides a timeline for collecting delinquent assessments. Mike Lobue moved that the Board adopt the revised resolution and Bill Wallace seconded the motion. All board members voted to approve the revision.

The second revision was to the Resolution on Financial Systems and Controls. The revisions incorporate recommendations made by the 2004 Financial Review Committee. . Mike Lobue moved that the Board adopt the revised resolution and Karen Bragg seconded the motion. All board members voted to approve the revision.

George Lacombe, Grounds and Maintenance Chair presented the listing of maintenance items to be reviewed periodically and presented a listing of items currently in need of repair. Before approving any repairs, the board asked to see more specific detail, such as, pricing and time required to submitted by the contractor.

The revised Resolutions will be mailed to the property owners with the next HOA mailing.

Roger then began the presentation that will be placed on the web site for review by property owners that could not attend. Please review the Website to enjoy this year in recap. Highlights of the presentation were:

Accomplishments of the Board:

- * Set up a Website to be used by the property owners
- * Set up a Postal address
- * Obtained insurance for the community areas
- * Completed the “Punch List” which was the list of items to be completed by the Developer before the transition to the new HOA came into effect.
- * Hired a Property Owner Services Manager
- * Hired an Attorney
- * Reinstated the association with the VA Real Estate Board

- * Reinstated the association with the VA Corporation Commission
- * Filed property Liens for delinquent HOA dues.
- * Grounds and Maintenance Committee
 - * Set up Contracts for landscaping and mowing
 - * Successful in obtaining a grant for Fire Cisterns and Dry Hydrant

Roger then asked Mike Lobue, Vice President/Treasurer to review the Financial Highlights. Mike described the following:

- * Money Market Strategy
- * Treasury Direct Account set up
- * Mason and Mason Reserve Fund Study

In May 2004, the board of directors hired Mason & Mason Capital Reserve Analysts, Inc. to conduct a study to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates are based on future estimated replacement costs. The study estimated that the total asset base in 2004 was \$490,327.

The board is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimates of future replacement costs. Accordingly, \$10,000 was placed in the Reserve Fund in 2004 and \$15,000 was placed in the Fund in early 2005. The study recommends a \$20,000 contribution to the Reserve Fund in 2006.

The Grounds & Maintenance Committee prepared a spreadsheet based on the Mason & Mason study to itemize the amenities within the development and will develop an inspection schedule that would then identify necessary repairs to maintain the integrity of the assets. The G&M Committee will define a reasonable inspection frequency. When an item would require attention based on the inspection, a quotation for repairs would be solicited prior to any repair work being done.

- * Hired Dixon Hughes to Audit the River Oaks account books
- * Received \$12,000 back from River Oaks as a result of the audit
- * Asked a Volunteer committee to conduct a financial review of Runaway Bay HOA, Inc. books for 2004 while under property owner control.
- * Made procedure changes as a result of the financial review
- * Received nearly \$6000 in delinquent dues payments as result of posting Liens
- * Set up solid budgets for both years 2004 and 2005

Roger then noted the committees that have been set up and active during the year:

Grounds and Maintenance (G & M) set up for overseeing the upkeep of the community grounds and amenities.

Architectural Review Committee (ARC) set up to regulate and encourage the natural environment effect of the homes in the community.

Financial Review set up to audit the financial data and suggest any enhancements or corrections to the process.

A **Safety and Security Committee** has been set for 2005 to tackle issues concerning safety on the lake and in our community. Important issues to be addressed will be theft to weekend homes and construction sites and safety on the lake.

Sam Skillman, Vice President of Leesville Lake Association (LVLA), asked that he might announce an upcoming Lake Cleanup Day that will be held on May 21st. Sam urged all to participate. He also reminded the group that LVLA will hold a regularly scheduled meeting on April 14th, 7^{pm} at the Altavista Train Station.

Regarding the LVLA Cleanup, Bill Wallace moved that our HOA sign up to be a sponsor for the cleanup, this was seconded by Mike Lobue and approved. In a later work session the amount of the sponsorship was deemed to be \$200.

Everyone was reminded that Mike Lobue has a “Vessel Assist” card for use by boaters; this card provides a listing of folks to call in case of emergency while on the lake. The only requirement is everyone who gets the card agrees to come to the aid of others, especially those from Runaway Bay.

Roger listed community issues:

1. Multi-slip docks are not an HOA responsibility, as they are not on common property, however, as a “good neighbor” this Board is keeping a heads up to try to urge River Oaks to resolve the issue with those impacted property owners.
2. The easement on Clear Pointe Road is not common property nor an HOA responsibility, but the HOA did pressure River Oaks into paving this road to bring it closer to standards.
3. Offsite drain fields. The common areas involved are HOA responsibility with easement rights to property owners, the piping (force main lines) for the offsite fields are the responsibility of the individual owners. Drain field installation is the property owner’s responsibility. The good news is that the property owners do not pay taxes on this offsite land.

Items of note that were done in 2004 –

- A. The HOA provided Porta-Johns in the Pavilion area for several months during the year.
- B. The HOA was able to work with River Oaks to get \$75,000 in repairs made by RowBoat, Inc. on the multi-slip docks after several storms had them in disarray at no cost to the slip owners.
- C. Letters have been written to FERC, Federal Energy Regulatory Commission, urging them to require Appalachian Power to do a number of things with regard to lake debris, shoreline erosion, water quality and public safety and navigation aids.
- D. The HOA urged Campbell County Commissioners to take a more active role in dealing with Leesville Lake issues.

Comments from the audience:

Terry Stelle asked that the Website announce the installation of the Cisterns; this could help with property owner insurance cost since once documented it could be presented to an insurance agent for review. Jim Slagle noted that the Website contains information concerning the progress of the installation.

Roger noted that the local Fire Department is anxious to have the Cisterns announced in the local newspaper. We may have a ribbon cutting ceremony when all of the installation is complete.

Jim Slagle mentioned that there is a company in Lynchburg with a wireless alarm system, which would be beneficial if and when the phone lines are down in the area. That might be an option for residents while there is good deal of construction digging here. Roger mentioned that audible sirens in the attic, heat and motion detectors, and smoke detectors tied into the fire department via Altavista Alarm, as well as house perimeter break-in detectors were a good idea here.

Beth Slagle added that there are systems that have sprinkler systems in the kitchen where they would be needed most.

Lynn Stelle, complimented the board for a job well done, this was followed by applause from the attendees.

Roger asked Julie Moore for the count on the votes for the new board. The results reelected the current board members to serve for 2005. After a discussion, the members of the board confirmed that the same positions would be held.

Roger Winters, President
Mike Lobue, Vice President/Treasurer
Karen Bragg, Secretary
Bill Wallace, ARC Chair
Jim Slagle, Member at Large

Roger Winters adjourned the meeting after announcing that the next meeting will be held at the community Pavilion on Saturday, July 2nd; where the HOA will be providing a Picnic, boat rides, with more information on this to come out in the next mailing.

We encourage you to attend to meet your fellow property owners and if you can stay for the weekend to enjoy the fireworks at the Tri-County Marina on July 4th which is particularly good to watch from a boat on the water (last year close to 40 boats gathered to watch the fireworks display).

Submitted by,

Karen Bragg, Secretary