

Runaway Bay Homeowner's Association, Inc.

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General Board Meeting

September 29, 2007

The President of the Board of Directors, Roger Winters, opened the 3rd quarter Runaway Bay HOA general meeting by welcoming all in attendance. He requested that all questions on Forced Main Septic Lines be held until that topic was presented in detail, later in the agenda.

Board Member, Richard Jenet, presented a proposal for a trial period to allow one HOA provided "House for Sale" sign on any home site to indicate that it is for sale. This sign would have no Realtor information or information about the house but would rather simply state "**House for Sale, this property and others listed on www.runawaybayhoa.org, no private signs permitted.**"

A sample sign was shown and the attendees were asked to comment or express concerns and opinions. A question arose over "why treat a house for sale differently than a lot for sale"? The explanation was that several homes for sale here were on the market for more than a year at a considerable expense to the owner.

The amount of money tied up in a home is substantial and there is the ongoing cost of maintaining a home (utility bills, mowing, general upkeep, taxes, mortgage payments, as well as having to move household belongs). Additionally, it is recognized that most of the permanent residents and many of the part time residents are retired or nearing retirement age and are likely on fixed incomes. Should selling a home become necessary due to health reasons, loss of income, death of a spouse, or should financial or family difficulties arise that require a homeowner to sell their house, the financial burden of not being able to sell a house in a timely manner would be very expensive and could be devastating.

At the same time, many of the undeveloped lots were purchased for speculation, or future building. Many have sold three or four times and there are 40-60 of them for sale at any given time. Clearly there is an investment in a lot but since a dwelling is not involved, the owner is neither moving nor paying upkeep for a home. Richard felt that trying to sell a home without the benefit of a sign for those who drive by to see is a disadvantage. The sign as stated would also point folks to our web site where lots for sale are listed with all the pertinent information.

Karen Bragg stated that most folks would not drive the distance to our community without prior knowledge from realty add in a newspaper or on a realtor website. She felt that the probability would be low if someone just passing by, would see a sign, and then would put a contract on a house for sale. She further stated that currently the association does not allow any for sale signs and the concept of an open-air environment will be jeopardized. However after both positions were presented, those attending agreed to a trial period of two years that can be terminated or modified at any time and the board will determine how to proceed.

Gary Cantwell presented an issue regarding a paved easement off Clear Pointe Run which crosses several lots. This paved easement seems to be mistaken by some as an exit to Mt. Airy Rd or a road into other parts of the development. He asked the HOA to consider putting up a sign to indicate that this is a Private drive. The board will consider whether it should help with this sign

and will respond to Mr. Cantwell after he contacts the other owners involved to be sure a sign may be placed a private lot.

Reports by Committees:

***Secretary Report:** Karen Bragg asked if the attendees had read and had any corrections to the minutes of the July meeting. She also reminded all to update our Property Manager on any change of address. Roger asked for approval of the 2nd qtr. minutes and they were accepted.

***Treasurer:** Dave Skeen presented the prior quarter financial statement to the board which they voted to approve. Dave noted that we are on target with our financial program with \$71,000 in the Reserve fund. We have three liens filed on properties with outstanding dues and one that filed bankruptcy just prior to the HOA attempting to sell the property at auction. At one point in the year we had thousands of dollars of delinquent dues. A new approach to collecting delinquent dues was presented to the property owners. The board will now, at its discretion, turn very delinquent accounts over to a Collection Agency who may in turn notify credit bureaus of the outstanding debts. The Collection Agency charges a considerable fee which will be added to the delinquent account. A statement will be added to all delinquent notices to indicate this process may take place if the dues are not paid. Property owners at past meetings have requested we get tougher on delinquent accounts.

A question was asked as to whether the HOA would consider charging interest on late payments. The board responded that we already charge interest at a rate of 1 ½% monthly on the unpaid balance plus a late fee. Regarding the lien on the property where the owner has gone to bankruptcy, our lawyer tells us we are in line to eventually receive all or most of the amount owed as stated on the lien.

***Grounds and Maintenance:** George Lacombe, Chair reminded everyone that the Boat Launch area and the Pavilion parking lots asphalt would be patched and sealed on October 1st and be closed until October 5th. He noted that the tennis court backboard would be installed and after inspection new lines were to be painted on the tennis courts. The wood structures in the community areas are to be cleaned and sealed. A reseeding program will take place on Runaway Bay Road community property in some hard to grow areas. The pump at the ClearPointe pond failed and will be replaced. We are waiting on River Oaks to determine the next step in the Pavilion pond since it still doesn't retain water even with the new well. George found that the electric company had over counted the number of lights in the development and a reimbursement of \$432 is due back for 1 light as well as a monthly reduction in the bill.

***Architectural Review Committee:** Herbert Miller, Chair reported that there are 46 completed homes and 5 under construction. We have had 30 violations processed since July, 2004 and there are currently 2 outstanding violations to be resolved.

***Safety and Security:** Karen Bragg, Chair reported that the committee has asked for a formal hearing by Campbell County Board of Supervisors to allow buoys in the larger coves of the community, the hearing is to be held on October 1. If approved, the information that the S&S provided will be forward to VA Dept. of Inland Games & Fisheries for approval.

The S&S is looking at ways to better secure the boat launch area. During the previous meeting questions were asked about the possibility of speed limit signs in the community. VDOT stated that the limit was assumed to be 55 MPH but, via a formal letter to VDOT, the posted 25 MPH sign was installed. We have a very large deer population this year and have an auto safety issue with deer running across our roadways. Also, their natural food is scare for them due to the lack of rain in the area and many property owners have lost a lot of plants to deer due to their hunger.

Therefore, the S&S asked a property owner who is an expert hunter to set guidelines for a select group to “thin the herd”. This will be a trial season for this process and it is not considered hunting per se, but rather a way to reduce the herd size. Bow and Crossbows will be the only allowed method of hunting (no firearms). Applications will be required and a limited number of HOA permits will be issued to only experienced archery hunters who are property owners or family members to ensure only experienced hunters will be participating.

Barry Swinehart was approved by the board to interview applicants and the board will issue a permit to those selected. This trial is to start October 6th and will run through January 2nd, 2008, however the board reserves the right to stop or cancel permits at any time.

Signs for the community boat launch docks have been purchased to indicate a “load and unload area only” on the ramp side of the docks, keeping the launch area free of docked boats and swimmers.

***NHW** – Karen Reported for Tom Dempsey that the Neighborhood Watch Program (which is sponsored by, but not part of the HOA) is making an impact in letting others know that we are patrolling the area and will report suspicious activity. Tom had sent a note reminding the community with the onset of deer season there may be more activity within the herd and to be careful to watch for them. Also some large dogs have been seen in the area. Karen suggested that if the dogs become a problem that calls to the Animal Control department may bring action from them to remove the animals from the area.

***LVL:** Mike Lobue, President of Leesville Lake Association reported that that groups had completed a study on water quality of the lake and found it to be good without any major problems. LVL has amassed large amounts of debris in the lake clean up days and is still asking AEP for more help to cover the work being done. The next LVL meeting will host a “Board of Supervisors Candidates Night” since County elections will be held in November.

***HOA Task Force Amendments to HOA Documents:** Dave Skeen informed the group that the Declarations and Covenants and other HOA controlling document amendments have been made and that they will be presented in early 2008 for an Association vote. You will see a summary of the amendments in the information sheet at the end of the minutes. Changes made will enable the board to expand up to 15 members and will remove River Oaks Development from our documents.

***HOA Special Task Force Results on Review of Forced Main Septic Lines (FMSL)**
Issue: Dave Skeen reported that they had interviewed several key folks, and received expert legal advice, as well as received information from the Dept. of Health. They reviewed the FMSL mapping, and after much analysis they have determined that the HOA was correct that the HOA is not responsible for these lines, the property owner is the responsible party. The Task force did develop a letter which will inform property owners of the FMSL issue and their responsibilities.

The important thing is to educate and inform the owners to keep from breaking the lines, the letter being very helpful as well as information being posted on the website. This board has been very caring in this matter and wants to be sure each property owner is aware of the procedures. We do have owners who are upset about the fact that the HOA is not responsible, but we have taken the initiative to obtain legal council on responsibilities for the FMSLs. Letters will be forward to property owners close to the year end meeting.

The next meeting will be held at Leesville UMC on December 8th at 1pm. Please remember to read the attached information.

Additional Information:

The following information is provided primarily to begin to educate and inform Runaway Bay property owners of the Association's Board of Directors intent to amend the governing documents of the Association. There is no action required by property owners at this time. Changing the governing documents will be a time consuming, long term process and will require an affirmative vote by 66% of our property owners. It also requires approval by the Declarant (River Oaks, the developer) which we have now obtained via a signed letter by an Agent of River Oaks. We have also completed a process of legal review and are ready to begin our attempt to get a property owner vote on these amendments. Please note that the amendments do not attempt to make any changes to restrictions, rules, or other controlling factors of the Association but are primarily concerned with expanding the number of board members to better represent the 300+ property owners and to remove the developer from the documentation since the property owners have been running the Association since April 2004. We appreciate your support for this issue and look forward to your comments regarding these changes at the next board meeting on 8 Dec 2007, 1:00pm at the Leesville United Methodist Church. Our target date is to have the vote accomplished in early 2008.

Runaway Bay Homeowners Association, Inc.
Board of Directors
29 Sep 2007

**PROPOSED AMENDMENTS TO THE ASSOCIATION
Bylaws; Declaration of Covenants, Conditions and
Restrictions; and the Declaration of Restrictive Covenants**

The Runaway Bay Homeowners Association Board of Directors has determined that it is important to amend the Association Bylaws; the Declaration of Covenants, Conditions & Restrictions (hereinafter "Declaration"); and the Declaration of Restrictive Covenants (hereinafter "Restrictions"). There are two objectives to the amendments: **(1) increase the number of board members from five (5) to a range of five (5) to fifteen (15) members, and (2) to remove references to the "Declarant" (River Oaks) and transfer authority from the Declarant to the Association as appropriate.**

It would be beneficial to have more than five board members for the following reasons:

- With only five board members, if one resigns, the board is left with four members. This could result in tie votes on important issues. In addition, the resignation of one or more board members results in an additional workload burden on the remaining board members.

- Four of the Five Board positions are also Officer's of the Corporation and as such have additional responsibilities. A vacancy in either of these positions leaves the corporation without an officer.
- The additional board members would gain experience on Association issues and could take the lead on special projects.
- Additional board members would allow more property owners to participate in the running of the Association.

The original governing documents provided the Declarant, River Oaks, with certain specific authority and voting rights. River Oaks transferred control of the Association to the property owners in April 2004. However, the governing documents were not changed, so the Declarant retains certain authority, including, for example, the authority to approve the combining and subdividing lots. The Declarant also has a vote on changes to the Declaration and the Restrictions. Now that the property owners have control of the Association, it is important to remove all references to the Declarant in the governing documents and transfer any authority that it can assume from the Declarant to the Association.

Amendments to both the Declaration and the Restrictions require an affirmative vote of the owners representing sixty-six percent (66%) of the lots and the Declarant. The Bylaws may be amended by a majority vote of the entire outstanding membership.

The Association Lawyer has reviewed the modifications to ensure they are complete, accurate and legal, and it is now our goal to educate all association members (property owners) on the need for these amendments and solicit their support in voting for these amendments. Our target date is to have the vote accomplished in early 2008.