



BELEWS LANDING H O A
SPECIAL INFORMATION MEETING

July 18, 2013
Meeting Minutes

The special information meeting of the Belews Landing Homeowners Association (HOA) was opened by President Steve Black. Other board members present were Donna Sirkis, Vice President; Mike Lentz, Treasurer; and Penny Glover, Member-at-Large; thereby establishing a quorum.

Steve stated the purpose of the meeting was to bring the community up to date on the discussions and negotiations with the development company (DC) regarding the pool and clubhouse (P/C). When plans were being made for the P/C, the DC indicated it would retain ownership and pay all expenses for the first year of operation, and then turn the P/C over to the HOA. With that in mind, the HOA increased the annual assessment by \$200 per lot to be prepared to cover the operating expenses and to establish a P/C reserve account. The P/C opened in the Spring of 2012 and the HOA expected turnover in the Spring of 2013. As the HOA has been collecting the increase in dues for the P/C since 2012, the P/C reserve account currently has a balance of \$10,000, and operational budget expenses of \$17,000 which were included in the general fund for 2013.

In April of 2013, the DC sent a memo to the HOA board members advising them that the DC had changed its mind and would not transfer the P/C at this time. The DC also requested reimbursement for the 2012 P/C expenses. The DC estimated the actual costs of P/C operation were much greater than the amount budgeted by the HOA. The memo also stated that the P/C would be closed on July 21 unless the invoice was paid. Substantive communication between the DC and the HOA board has ceased at this time.

Question posed by board: Do we want to pay the DC for the 2012 P/C operating costs?
Residents were uncomfortable with DC using the P/C for leverage in financial negotiations.
Residents discussed the potential for recurring demands if the DC maintains ownership of P/C.

Question posed by residents: What are the actual operating costs for the pool? The DC's accountant has estimated the costs are approximately \$25,000; this figure may include landscaping. Residents felt this amount may be inflated by the cost of maintaining the golf course. As the board does not intend to do this, future P/C operating costs may be less. Research indicated that other developments have pool costs ranging from \$18 to \$22,000 annually.

Question posed by residents: Should the HOA propose a lease between the HOA and the DC that binds both sides, in writing, to specific obligations? Residents stated they need time to consider this situation and formulate a plan. Residents also stated there is a rumor circulating that the P/C may be turned into a public facility and memberships sold to people living outside of Belews Landing. Information to support this rumor was obtained from an individual who works for Rockingham County Planning Office. Other reports were that the use of the pool was recently offered to nonresidents.

Question posed by residents: Has the HOA board contacted an attorney for advice as the HOA's legal options for obtaining past-due dues from the DC? The board has met with Michael Fox, Esq.

In summary, the HOA has the following options:

1. Take no action at this time;
2. Forgive the DC dues and ask for the transfer of P/C;
3. Lease the P/C from the DC; and
4. Send a letter to DC signed by residents requesting a face-to-face meeting that would result in a timeline for resolution.

The consensus at the end of the meeting was to form a committee to negotiate with the DC and resolve this issue. Several people volunteered to serve on this committee and Steve will forward this list of volunteers to the DC. No other action will be taken at this time.