

Malvern Club, Inc.
905 Malvern Drive
Madison, VA 22727
<http://malvernofmadison.org/>

WELCOME TO MALVERN OF MADISON

Congratulations on your selection of a home in Malvern. We hope your investment will bring you the same joy and satisfaction as many of your neighbors. We think you'll particularly enjoy the natural beauty of the land and the variety of flora and fauna which will continue to delight you for many years to come.

You are an important part of our community where each property owner makes a unique contribution in our collective effort to create an environment of health, harmony, and happiness that we know as Malvern of Madison.

At Malvern, your neighbors are volunteers! It is not unusual to find them planting flowers or pruning shrubs on the common property, clearing a beaver dam from the spillway on the lake, helping a neighbor with a project, or picking up litter along the road.

The governing Board of Malvern is elected by members of Malvern Club (all property owners are automatically members) and the Board wants to know of your interests and concerns. They welcome your activity in community affairs and solicit your cooperation.

CORE INFORMATION ABOUT MALVERN

Malvern Club, Inc., was incorporated in 1974 as a not-for-profit corporation. There is a distinction between a not-for-profit and a nonprofit organization. Malvern does not qualify as a nonprofit. Our mailing address is 905 Malvern Drive, Madison, VA 22727. There are 234 lots in the subdivision; there are 220 unique owners as there are several who own more than 1 lot.

GOVERNING DOCUMENTS

Malvern is a subdivision having common elements. The common elements include the roads, clubhouse, mailbox kiosk, pool, and lake. Every owner in Malvern also owns a share of these common elements and is responsible for the maintenance and upkeep of all elements whether they are used by them or not. **This is a condition of ownership within Malvern.**

It is unlikely management of these amenities would be effective if all lot owners were involved with the process. Accordingly, that is the specific purpose for which Malvern Club Inc. was formed: to provide for maintenance, preservation and control of the residence lots and common area within Malvern and to promote the health, safety and welfare of the residents within the subdivision.

The corporation has several governing documents:

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1. The articles of incorporation set forth the purpose and powers of the corporation, who are the members in the corporation, what their voting rights are, establishment of a board of directors, dissolution requirements and how long the corporation will exist.
2. Our bylaws provide more detail on membership, who can use the amenities in Malvern, how the organization is structured, meeting requirements, the structure and purpose of the board of directors, officer and committee duties, assessment and financial arrangement and how bylaws and, by reference, covenants can be changed.
3. Our covenants are recorded documents. Recorded means they are filed with and can be referenced at the Madison County office of the clerk of the court. Covenants are restrictions intended to protect and maintain the beauty of the development, to protect against substandard construction and to preserve and maintain it in an appealing and attractive condition for the general benefit of all the owners.
4. Malvern has established rules for the use of amenities. These include rules for use of the clubhouse, pool, bulletin board and lake as well as rules for fishing and boating. The board of directors may establish reasonable rules and modify them as conditions warrant.
5. Malvern has established rules and forms for home construction and additions. Home construction and certain additions may require funds to be held in escrow and/or a non-refundable road impact fee. Escrow amounts are returned at the conclusion of construction so long as there is confirmation that the construction did not cause road damage.
6. Similar to rules, the board of directors may establish policies. As of the end of 2014, there is a financial policy, a sign policy, a complaint policy, a privacy and records access policy, and a lot maintenance policy.

BOARD OF DIRECTORS

Malvern is a self-managed homeowner's association. There are 7 directors elected by the membership. The term for a director is 2 years and a director may serve 3 successive terms. The directors appoint who among them will serve as president, first vice president, second vice president, treasurer and secretary as well as appointing committee chairmen.

MEETINGS

Malvern Bylaws specify the type and number of meetings:

- Although the bylaws state only that regular board meetings occur at such times and places the Board of Directors select, it has become a standard that board meetings are held the second Thursday of every month. These meetings are open to all Malvern

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members, who are given the opportunity to speak during the open forum portion of the board meeting.

- When needed, a special board meeting may be called by or at the request of the president or of any two directors.
- The bylaws set forth a notice requirement for board meetings.
- Virginia state code also addresses meetings of the board of directors:
<http://law.lis.virginia.gov/vacode/title55/chapter26/section55-510.1/>
 - Prohibits Board meetings to be closed; it does allow the Board to hold an executive session under certain circumstances – reference the above code section.
 - Dictates that members be given a reasonable time to comment on any matter related to the association.
 - Allows members to conditionally record (audio or video) the meeting.
- The items above apply to committee meetings as well as board meetings.
- Bylaws require 2 annual membership meetings: the first is held on the last Saturday of April for the purpose of electing directors and other business and the second is held the third Saturday of October for the purpose of considering and approving a budget for the forthcoming fiscal year and other business.
- A special meeting of members may be called by the board of directors or by the president or board of directors when a minimum of 12 members in good standing submit a written petition.

BANKING

Malvern funds are currently in accounts at Union bank in Madison. Union bank was previously called StellarOne and before that, Second Bank and Trust. In April, 2012, an account was opened at Wells Fargo Bank and some of our funds were moved to the new bank to ensure our account balances at any one bank stayed below FDIC thresholds.

Depositing dues and other income is performed by the treasurer. The treasurer typically writes all checks. The president and 1st vice president are also able to sign checks. Any check in an amount greater than \$2,500 requires 2 signatures.

DUES

As of October, 2011, Malvern has a financial policy related to the collection of annual dues.

TAXES

Federal tax returns for the corporation are due by March 15 each year. Virginia tax returns are due shortly thereafter. Malvern must pay taxes on non-dues related income. The treasurer oversees the preparation and filing of the tax returns.

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INSURANCE

The clubhouse and Board is currently insured through State Farm. Our local agent is William Hale. There is general liability, directors and officers coverage, building, structure and content insurance, dishonesty insurance (also known as fidelity insurance), and, separately, an umbrella policy.

VIRGINIA AGENCIES

State Corporation Commission: Malvern's SCC ID number is 0137740-7. Malvern is required to pay a registration fee of \$25 each year to the SCC. At the same time the registration fee is paid, a separate form listing the board members, their address and position must be mailed separately. Each year a statement, mailing envelopes and the forms to list the board members will be received. The payment is sent to a different address from the forms.

The name of the registered agent and the registered office address must also be filed when there is a change. The SCC provides a form to change the registered agent. Both the current registered agent and the registered office address is found [here](#).

Common Interest Community Board: since 2009, we are required as an HOA to be registered with the [CIC](#). Our registration number is 0550 006817. The treasurer submits the proper form and payment on an annual basis in May. [Click here](#) and enter "Malvern Club" (no quotes) as the search text to find current registration information.

BILLS AND SERVICES

Utilities: Malvern receives 2 bills from Rappahannock Electric Cooperative. One bill covers the clubhouse and pool. The other bill covers the lights at the entrance. Comcast provides telephone, internet and cable television at the clubhouse. In early 2014, several security cameras were added around the exterior of the clubhouse to monitor rare but possible vandalism. Several Board members monitor the security cameras on a random basis.

Contract services include:

1. Mowing of the common areas. Common area mowing is coordinated by the grounds committee chairman.
2. Snow removal. The roads committee chairman manages the snow removal contract.
3. Road repairs. The roads committee chairman manages road repairs based on need, funding available and time of year.
4. The grounds committee chairman coordinates with certain vacant lot owners to have their open areas mowed twice during the year. The main purpose for this service is the reduction of fuel sources for potential wildfires. As of 2014, these lots were included in the vacant lot mowing: 85, 88, 93, 95, 96, 120, 122, 131, and 203. The cost for the mowing is paid by the respective lot owners and not from annual dues. With prior notification, the lot owner may opt to perform or contract the work themselves.
5. The clubhouse and pool committee chairman coordinates with a contractor to have daily pool services performed during the summer.

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6. The clubhouse and pool committee chairman coordinates with someone to perform cleaning services at the clubhouse. This historically has been a Malvern resident who agrees to provide the service at a reasonable cost.
7. The clubhouse and pool committee chairman coordinates with someone to handle clubhouse rentals. The Malvern website contains a clubhouse calendar that includes meeting and rental dates.

MAILINGS

Typical mailings during the year include a newsletter in early April, a newsletter in late September, an initial dues statement around February 1 and when required, a second dues statement to owners who opted to pay their dues in two increments.

ANNUAL BUDGET

One of the purposes of the October membership meeting is for considering and approving a budget for the forthcoming fiscal year. The treasurer prepares the actual budget but requires input from the other officers, directors and committee chairmen.

The board should have a budget to approve at its September Board meeting. That then allows adequate time for the budget to be included in the newsletter that will be sent typically in late September. The newsletter, which also contains notice of the membership meeting date needs to be in the mail a minimum of 14 days prior to the membership meeting.

Board members are encouraged to begin looking at their respective committee needs and associated costs for the following year in July and August. The 5-year plan is a constant work in progress but is quite helpful in prioritizing tasks and costs.

The membership needs to approve a budget at the October meeting. Capital improvements need a two-thirds affirmative vote for approval – that requires a written ballot. The remainder of the budget needs just a majority vote for approval.

At the November Board meeting, the treasurer will make a motion that sets the dues for the following year – this in accordance with section 2 of article IX of the bylaws.