

The Malvern Communicator

October 2012

PRESIDENT'S REPORT – ROBERTA JALBERT

It's difficult to believe that it's already October! Since April when I was elected time has really flown by!

I do want to thank 'Malvernites' for the opportunity to serve on the Board. I truly enjoy seeing this community from all the different perspectives – management of the roads, pool, clubhouse, dam and lake, the wonderful energy people bring to special events and the friendships and support between members – it may not be apparent to all of us, but there are some wonderful and interesting people here. I encourage everyone to attend meetings, come to events and volunteer on projects like the Playground or repairing the island at the head of Malvern Drive. It gives you a chance to meet neighbors and feel more engaged in your community.

I also wanted to start a dialog about the benefits and responsibilities of living in an HOA. I've heard many people say that they didn't really pay much attention to the fact that their home would be part of an HOA or that they really didn't know before buying, what was involved.

(See **President's Report** on [page 5](#))

Inside this edition:

2013 budget	Page 2
Capital improvements	Page 3
Treasurer's report.....	Page 3, 4
Secretary's report	Page 4
Policies.....	Page 4
Roads committee report	Page 5
Proposed covenant change	Page 6
Clubhouse, pool, playground report.....	Page 7
Grounds, lake report.....	Page 7
Firewise program.....	Page 7
Event photos	Page 8
Proxy form	Insert

2012-2013 Board members:

Roberta Jalbert:	President
Randy Allen:	1 st VP, grounds & lake
Joe Graham:	2 nd VP, clubhouse, pool
Donna Phillips:	Treasurer
Ed Johnson:	Interim Secretary
Paul Hankla:	Director, Architectural
Wallace Harvey	Director, Roads

Other important events

"MISSION ACCOMPLISHED"



ANNUAL MEMBERSHIP MEETING

Where: Malvern Clubhouse
Date: Saturday, October 20, 2012
Sign in: 9:30 until 10:00 a.m.
Meeting: 10:00 a.m.
Agenda: 2013 budget approval, modification to covenant, reports, other Malvern business



HAUNTED HOUSE

Back by popular demand! Dates are October 26th and/or 27th. Watch your mail and look for notices to be posted. Hayrides, games, and trunk or treat. Boo! Muuaah ha ha ha!

BOARD OF DIRECTOR'S RECOMMENDED 2013 BUDGET

	2010 Actual	2011 Actual	2012 Budget	2012 YTD Actual *	2013 Budget	
Income						
1. Regular assessment	120,360	120,953	122,850	102,198	122,850	234 lots at \$525 per lot
2. Special assessment						Not currently necessary
3. Banking interest (all accounts)	532	583	600	426	600	No interest for checking accounts
4. Boat fees	105	90	105	135	135	9 lots at \$15 per lot
5. Clubhouse fees	3,540	3,980	3,500	1,880	3,500	
6. Interest from legal issues		17				
7. Late fees	255	480	300	348	450	15 lots at \$30 per lot
8. Legal fees		225		281		Recoupable and return of legal fees
9. Insurance claim reimbursements				1,600		
10. Packets			180	175	125	5 lots at \$25 per lot
11. Road impact fee	1,000					0 lots at \$1,000 per lot
12. Road impact fee non-refundable				500		
13. Bush hogging	1,230	1,225	1,220	1,400	1,600	11 lots bush hogging
14. Pool income	2,505	2,320	2,500	2,420	2,500	125 keys at \$20 per key
15. Uncollectible accounts					(5,850)	Lost revenue from assessments, late fees
16. Withdraw from reserve						
17. Total Income	129,527	129,873	131,255	111,362	125,910	Total Income
18.						
19.						
Expenses						
20.						
21. Administration	871	2,909	2,180	1,021	2,600	Printing, postage, consumable materials
22. Bank charges (all accounts)						
23. Capital Improvements	32,500	13,047	64,200	37,131	36,200	See items A through J on next page
24. Insurance	2,787	3,087	3,225	3,445	3,709	Increased fidelity bond coverage; allowed VA rate increases
25. Legal and professional fees	325	2,887	4,500	3,264	3,500	HOA lawyer and civil judgment fees
26. Licenses and permits	461	200	320	203	320	
27. Loan – dam and roads	32,839	10,527				Loans paid in full
28. Maintenance – building, grounds	4,918	5,535	7,800	2,519	8,580	Mowing, routine maintenance
29. Maintenance – roads:	31,689		15,000	350	9,750	Total of 29a + 29b + 29c
a. General minor maintenance		4,493	5,000		4,750	General minor maintenance (easement)
b. Snow removal			5,000	350	5,000	Snow removal
c. Law enforcement		720	5,000			Law enforcement
30. Mowing (bush hogging)	1,220	1,220	1,220	775	1,600	11 lots bush hogging
31. Operations – clubhouse	1,802	1,945	2,250	667	2,000	10% management fee, cleaning and supplies
32. Operations – playground					750	Mulch and maintenance
33. Operations – pool	4,073	3,590	4,500	3,303	4,140	Chemicals and operations
34. Operations – pool security					13,160	Access control
35. Social contribution			1,000		1,500	
36. Taxes – Federal and State				472	2,972	One time full Federal and State tax prep
37. Electric	2,680	4,021	4,675	2,449	4,725	
38. Fuel	331					Fuel oil furnace removed in 2010
39. Telephone	399	375	385	260	404	
40. Deposit funds to reserve		60,000	40,000	30,000	30,000	See items K through L on next page
41. Road impact fee refund						
42. Total Expenses	116,895	114,555	151,255	85,859	125,910	Total Expenses

* Year-to-date (YTD) is through August 31, 2012

See next page for proposed 2013 capital improvements

CAPITAL IMPROVEMENTS FROM FIVE-YEAR PLAN FOR 2013

A. Repair all patios, stairs, ramp, deck around clubhouse	Clubhouse	11,000	
B. Outside shed for storage at clubhouse	Clubhouse	10,000	
C. Air conditioning built in unit for teen center	Clubhouse	2,000	
D. Repair upper deck on pool	Pool	5,000	
E. Dock repairs, handicap access	Lake	1,000	
F. Security lighting at lake	Lake	1,000	
G. Carp for lake	Lake	200	
H. Build retaining wall, repair fences at mailboxes	Common grounds	1,000	
I. General common area landscaping	Common grounds	2,000	
J. Easement clearance	Roads	3,000	36,200
K. Dam maintenance reserve (2013 reserve deposited at 2012 yearend)	Lake	0	
L. Future road repairs reserve	Roads	30,000	30,000

Total capital improvements – lines A through K:	36,200
Operational expenses	59,710
Total 2013 budget	125,910
Anticipated 2013 income	125,910



MONEY TALKS

by: Donna Phillips, Treasurer, Malvern Club, Inc.

Ugh!!! - It is that time of the year again – no not tax time nor your 29th, 39th, or 49th birthday. But it is when the Malvern Board of Director's requests that you review how we have been doing financially and that you consider the recommended 2013 Budget. In particular, please examine the line items of the submitted 2013 Capital Improvements Budget. This is not a frivolous overall 2013 Operational and Capital Budget; it has new line items based on this year's execution history and guidance from accountants (lines 15 & 36) and was thoroughly analyzed by each line item within each category to ensure no unnecessary cost growth.

As other Board members have reported, I also feel that we have done rather well to date on the 2012 Capital Improvements Expenditures--playground purchased and installed (handicap accessible); road guard rails installed; road patching and sealing completed; new carpeting & furniture purchased and installed at the clubhouse as well as the new railing installed at the pool. More is planned to be accomplished by fiscal year end (December, 2012).

There was close scrutiny and input by all Board members for this next year's requested list of Capital Improvement line items. Some projects were consolidated, some moved in from out years and unfortunately others had to be moved into out years. In 2013, we need to proceed

further with our upkeep of our amenities to ensure a continued safe and secure environment for all of our membership

The one thing that is still recognized as perhaps the most significant part of this Homeowner Association's success in the future is the continued increase of funds annually into our designated "Reserve Accounts". As I did last year, I am asking that when the 2013 Capital Improvements Budget be approved, that I am also authorized to move an additional \$10,000.00 into the Reserve Accounts for Dams at the end of 2012. This would reduce the amount of working cash on hand, but not to the detriment of our financial execution. Additionally, that move of funds this year and the request of funds to the Reserve Account in 2013 would increase the overall Reserve Accounts as follows:

Roads:	\$110,000.00
Dam:	<u>\$30,000.00</u>
Grand Total:	\$140,000.00

Also along the lines of fiscal responsibility, is the request for the proposed Covenant change. Currently the entire membership is absorbing the cost of the HOA attorney's fees when we try and recoup unpaid assessments as a result of bankruptcies and foreclosures. This Covenant change, if approved, would shift the responsibility of payment only to the parties involved, either responsible members or financial institutions, and no longer to the membership as a whole.

If you are unable to attend the meeting on October 20th, please ensure that your proxy within this newsletter is (See **Money Talks** on [page 4](#))

(Money Talks continued from page 3)

completely filled out and given to a member who is expected to attend. Otherwise, you may also mail your completed proxy to the Board of Directors at 905 Malvern Drive, Madison, VA 22727 to vote on your behalf. We recognize that all members are not able to attend monthly meetings, volunteer for committees, or may live out of the general area. This is why we ask that you please take the few minutes to fill out and send us your proxy. Your vote in October is important to the continued growth and successful operation of our community.

This year, I am going to automatically send a copy of the 2012 Fall Directory of Members to those who send in a completed proxy. Otherwise, if you are unable to attend our Fall Membership meeting on October 20th and desire a copy, please either call me or E-mail me to have your copy mailed.

I am saddened to report that this fiscal year to date; the Board of Directors approved placing accelerated liens on 8 owners who have not paid the spring 2012 assessments. This was only as a last resort after all of the provisions of the Practices for Collection of Assessments and Late Fees within the Malvern Club, Inc. (Financial Policy 001-2011) were exhausted. Regrettably, this number of approved liens is up from a total of 3 in 2011. To keep members in good standing within the community and be able to utilize our amenities (i.e., pool, clubhouse, etc.) and to vote at members meetings, I am willing to work with you and take in monthly payments throughout the year. Already this year, we have taken in late fees for eleven members who were unable to meet the spring assessment deadline but are now back in good standing.

Many thanks to the volunteers (Rick Collins, Diane Cross, Ed Johnson and Karen Pilkerton) who have been spending hours of their time throughout the year reviewing the accounting records for accuracy, completeness and adherence to formalized procedures. If you are interested in serving on this committee, please let me know, the more people each review, the shorter the time spent each month.

Please do not hesitate to contact me on my cell phone (540) 407-7117 or use the Treasurer's established E-mail account with any of your concerns or questions regarding the assessments or other financial issues:

Treasurer@MalvernofMadison.org

SECRETARY'S REPORT – ED JOHNSON

Our previous Secretary, Brian Paul, found that added work responsibilities along with an erratic work schedule was leaving too little extra time for his family and other personal needs. As a result he felt he couldn't devote the time needed to the position and regrettably resigned. I was appointed interim Secretary by the Board on September 13, 2012. Brian, thanks for the time you did spend on the Board – it was appreciated.

Volunteers: It's no secret that our neighbors have talents, creativity, resources and enthusiasm they are willing to share with the entire community. Here's just a few more examples over the past few months: defining "some assembly required"; welcoming new neighbors; planning the community picnic; arranging the community yard sale; replacing lights and signs; planting at our entrance; painting; and the list goes on. What a great way to get to know our neighbors and benefit the community too.

2012 Picnic: What a great time everyone had at the picnic this year. Once again it's the volunteers and their attention to the many details that helped make this so successful. And of course all the wonderful neighbors who attended. Watch for details on future events – help is always welcome, even if it's only that you attend the event – fun is all but guaranteed.

POLICIES

Three policies as briefly summarized below were approved by the Board at its September 13th meeting. Each of these policies are being mailed with this newsletter to all current owners. All policies are also available on Malvern's website.

Complaints: Earlier this year the Governor signed legislation that required HOAs to adopt a written complaint procedure prior to the end of September. The Board has now adopted a resolution that establishes the procedure that must be followed by members submitting a complaint. The process involves forwarding a completed complaint form to the Board. Upon receipt of a completed and accepted form, a defined process begins which may result in a "final determination" by the Board, depending on the circumstances. There is an appeals process through the State for those who may be dissatisfied with the final determination.

Access to Records: Another Virginia legislative mandate this year was to specify in writing the charges for labor and materials of providing copies of any books and records to a requesting member. In this regard, the Board approved a policy resolution for privacy and access to records.

Signs: In April this year the membership voted to modify a covenant related to signs in Malvern. The revised covenant was recorded in the Madison County Clerk's office on June 14th. The Board has now created a signs policy for the purpose of establishing rules for signs so that the Board and residents can be guided by a consistent policy.

President's Report (continued from page 1)

For instance, did you know:

All property in Malvern comes with an easement along the roads and an additional ten foot utility easement. A general guideline is to not place trees, shrubs or lawn decorations within ten feet of the edge of pavement. The Club has the right to remove anything that impedes line of sight, snow removal operations and other maintenance of the road within the road easement area. You are also advised that utility companies have the same rights within their utility easement. Of course, we ask the homeowner to extend their yard maintenance to the edge of pavement, but lacking that, if an area does become a problem we will act to remove the problem.



We ask home/lot owners to assist in the maintenance of this easement area – the clearing of overgrown brush or overhanging limbs should be done on a regular basis.

If a home owner wants to erect a fence or put a shed on their property they must submit such plan to the Architectural Committee for approval by the Board before doing so. It is good to accompany the request with a picture or drawing of your plan. This gives the Board enough information to make a decision.

There are lots of benefits living in Malvern – first it's beautiful and peaceful. Then there is the Pool for summer and the Clubhouse year round for meetings, or special events and a really great place for family get-togethers that is very inexpensive for members. And let's not forget the professional grade Playground that was just built for our youngest members!

Please remember that we have a great website <http://www.malvernofmadison.org>. Here you can find a calendar of events, find how to contact Board members, download forms, review by-laws and covenants, etc. and take a virtual tour of our amenities.

ROADS COMMITTEE – WALLACE HARVEY



As you may have noticed we have had a lot of work done on our roads this year. Hopefully as you read this, all the work has been completed to everyone's satisfaction. We have had roads patched and long cracks sealed.

The patching took place on several roadways throughout the community. This includes a patch over the new culvert at Sylvan Lane, overlays on several areas of Sleigh Bell, Old Forge near the intersection with Liberty Lane, Liberty Lane, and Aroda Road, along with a patch, underdrain and ditch repair on Ashlawn Drive.

The sealing is done to keep the water out of our roads and help them last longer. Water is the greatest enemy we have on our roads. By keeping out as much water as possible, our roads will last longer.

I am hopeful that this round of repairs will hold us for a few years. During that time, we are setting aside money to truly seal our roads in a few years. What I want to do is have our roads sealed with a slurry compound that will completely seal our roads from water and give us a slightly rougher surface that will help with traction. It won't prevent every possibility of potholes, nothing can do that, but it will buy us time to save again to repave the roads. At this time, we will have most problem places repaired and a new sidewalk for our playground. Oh, thank your neighbors that asked the road crew to pave their driveways. By picking up extra work, we got the playground sidewalk for no charge. That is a savings of \$1,200.00.

You may also have noted we added about 150 feet of guard rail adjacent to the outgoing lane of Covered Bridge Drive with the goal of preventing cars from sliding into the woods in that area when roads are slick. In addition damaged guard rail on the opposite side of Covered Bridge has been repaired.

I want to thank my Road Committee for their support in working on this project with me. Please join me in thanking, Frank Sargent, Don Nicholson, Barry Cliver, Ed Johnson, and Gabe Brown. We are currently working on getting someone lined up for snow removal this winter season. Let's hope for little or no snow and save your money. I look forward to seeing everyone at the semi-annual meeting.

PROPOSED COVENANT CHANGE

During this fiscal year, it was brought to the attention of the Board of Directors that Malvern Club cannot recoup the HOA attorney fees in pursuit of monies in arrears during foreclosure and bankruptcy actions. Consequently, the membership as a whole is currently absorbing these costs within the annual budget. Therefore, the Board of Directors voted at the monthly meeting on September 13, 2012 to approve the below recommended covenant change in order to have these fees be reimbursable by respective owners and/or other financial/legal institutions and not be paid by the community as a whole when such additional action is necessary to collect overdue assessments.

If you are unable to attend the Annual Membership Meeting on October 20th, please use the Proxy within this newsletter to express your desire regarding this requested change.

Currently, a particular covenant and restriction within that Deed recorded in Deed Book 112, Page 194, states, at Paragraph 3:

"The rights of a property owner to use in common with others the clubhouse, streets, roadways, trails, walks, utilities, connections and other services and common facilities within the development area shall be dependent upon the payment annually of such charges or assessments to the Property Owner's Association as may be required to pro-rate the expenses of providing and maintaining the aforesaid services and facilities proportionately among the designated lot owners and such use shall be pursuant to regulations of the Property Owners' Association. Such charge shall become a lien on the respective owners of lots and shall so continue until paid in full, subordinated nevertheless to any mortgage executed in good faith for value which shall have been theretofore recorded."

Based upon Virginia Code Section 55-509.3 requiring that all charges to the members be set forth in the recorded document, the Board did determine that additional language was needed to revise Paragraph 3 so that the Deed Of Owner's Consent and Dedication sets forth the costs of collection of assessments and the cost of enforcement of covenants that will be charged to the respective owners to thereby reduce common expenses pro-rated among the members."

The following is the proposed change:

"3. The rights of the property owner, to use in common with others, the clubhouse, roadways, trails, walks, utilities, connections and other services and common facilities within the development area, shall be dependent upon the payment annually of such charges or assessments as may be required to pro rate the expenses of providing and maintaining the aforesaid services and facilities proportionally among the designated owners.

In addition, each Owner of any lot, by virtue of acceptance of a Deed, does further agree to pay to the Association all

assessments and other charges assessed by the Board of Directors pursuant to the provisions of this section. Each owner shall be personally liable for all assessments against such Owner's lot. Each Owner shall be jointly and severally liable for any late charge in amount in the amount of \$30.00 per delinquent assessment, or such other amount as may be established from time to time by the Board of Directors. Each Owner shall be jointly and severally liable for the payment of any cost incurred by the Association, as cost is further defined by the Board of Directors by resolution, as well as all expense to the Association of all upkeep rendered necessary by such Owner's act or omission, or the act or omission of such owner's tenant, and such owner's or tenant's household members, guests, employees, agents or invitees regardless of neglect or culpability. Any such Owner shall be responsible in any proceeding arising out of any alleged default by an Owner or by any lawsuit or lien brought by the Association against any lot Owner, for the cost of such proceeding and reasonable attorney's fees of no less than 33 1/3% of the delinquency amount sought or reasonable attorney's fees in all matters not deemed assessment collection, even if the proceeding is settled prior to judgment.

If an assessment against an owner is payable in installments, upon default by such owner in the timely payment of any assessment installments, the remaining total amount of unpaid installments of such assessment may be accelerated, at the direction of the Board of Directors, and the entire balance of the assessment may be declared due and payable in full by mailing notice of such delinquent assessment(s) by first-class mail to the defaulting Owner. If an Owner is delinquent in the payment of assessments for prior fiscal year, then the entire assessment (otherwise payable in installments) shall be due and payable in full once assessed, upon mailing of notice of such assessment to the defaulting owner.

If the default by an Owner in paying any sum assessed by the Board of Directors against such Owner's lot continues for a period in excess of 30 days, interest at a rate of 12% per annum may be imposed at the direction of the Board of Directors upon the principal amount unpaid, from the due date until paid. The imposition of interest shall not preclude collection of the late charge nor shall a charge levied pursuant to this section be considered interest subject to the limitations of the Owners Consent and Dedication.

The defaulting Owner shall also be responsible for all charges and fees incurred by the Association in providing notice pursuant to this subsection to include, but not limited to, certified mail fees, first-class mail fees, copy charges and any other costs of collection as further and hereinafter defined by the Board of Directors by Rule and Regulation. Such charge shall become a lien on the respective Owner's Lot and shall so continue until paid in full, subordinated nevertheless to any mortgage executed in good faith for value which shall have been theretofore recorded."

CLUBHOUSE, POOL – JOE GRAHAM



Mostly we had a successful 2012 pool season. Thanks again to resident Mike Perryman who opened, managed chemicals, cleaned and closed the pool again this year. The handrails and stairs were replaced prior to the pool opening and we had to replace the pool pump early in the season. As in previous years, we continued having problems with unauthorized access to the pool and damage to the furniture this year too. The committee will be researching alternative security measures that may need to be implemented next year in an effort to address these perpetual problems.

The clubhouse committee is looking into doing some renovations in the kitchen and will be getting estimates for the work. The committee will also be getting estimates for the repair of the walkways and patio out back along with some landscaping around the clubhouse.

PLAYGROUND – JOE GRAHAM

I have saved the best for last, The playground is finished and the children are playing on it. I need to thank all of the volunteers who helped build our playground. They are Roberta Jalbert, Ed Johnson, Frank Sargent, Norm Hensel, Rick Collins, Jason Woodward, Rodney Taylor, and Larry McClellan. And the volunteers who helped out for the mulch party are Frank and Barbara Sargent, Roberta Jalbert, Ed and Nancy Johnson, Jason, Merri, Skylar and Emily Woodward, Bill and Pat Rowe, Nancy and David Negron, Jennifer McLeod and Jax, John and Christine Haines, Chas Egan & grandsons Jeremy and Stephen, Wallace Harvey and David Davis loaned us his tractor to help spread the 100 yards of mulch. Without the help of these volunteers it would not be built. Again thank you for all of your help!!

GROUNDS – RANDY ALLEN



This summer saw the re-painting of the entrance sign and planting of flowers underneath. Many thanks to the volunteers who put in many hours on these projects. In next year's budget contains items to provide landscaping at the entrance area and building a small retaining wall to prevent dirt from washing across the pavement. Also we plan to paint the ceiling of the mailbox area.

THE FIREWISE PROGRAM IN MALVERN

Malvern is participating in Firewise Communities, a national program that focuses on creating defensible space and safe access for homes in the event of a wildfire. According to Gena Williams, Virginia Department of Forestry, Mitigation Specialist, wildfire is a real threat in Virginia. The purpose of the program is to reduce the fuel that feeds wildfire. Gena conducted a wildfire assessment of Malvern of Madison this June. While the subdivision received a "moderate risk" rating, individual lots may have a higher or lower risk rating.

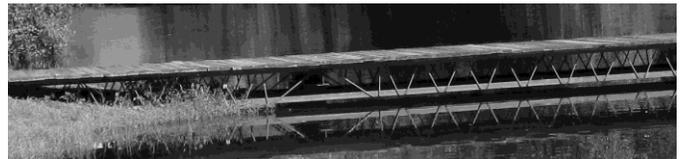
To reduce the risk on your lot:

- Create a well-irrigated defensible space of 30' around your house with carefully spaced fire-resistant trees and shrubs.
- Remove all plant materials, especially leaves and firewood from around your house and out buildings.
- Clean your roof and gutters of leaves and pine needles (best done in October).
- If they overhang your house, trim shrubs and trees up 6'. Around all chimneys trim trees and shrubs up 20'.
- Trim shrubs and trees along the roadway and driveway to 15' with a 12' width for emergency vehicles.

Malvern has received a grant for \$4900 for a large chipper to come into Malvern on January 17th to chip any small trees, brush and branches at no cost to residents. Lot owners must move all limbless debris to within 10' of the road. A letter announcing this event will be mailed to residents on September 14th.

Information about our Firewise program is available on MalvernofMadison.Org/firewise.shtml, by emailing MalvernFireWise@gmail.com, or by calling Karen Pilkerton, Program Coordinator, at 948-3230.

LAKE – RANDY ALLEN



This past summer saw the renovation of the large dock on the north side of the lake, replacing planks that were unsafe due to warping or cracking. Again, this was accomplished by the hard work of the volunteers on the lake committee. In the budget for the coming year we have funded for enough planking to complete renovating the north dock as well as any planks that need replacing on the south dock (near the clubhouse). We also plan also to install a ladder on the north dock and several cleats to tie boats as well as a ramp to provide handicap access.



Some assembly required and then, ABRACADABRA... our new playground!



September 16, 2012 picnic – so much fun and smiles everywhere!

Malvern Club, Inc.

Proxy Form Instructions: If you can't attend the meeting, please take a moment to review, complete and then decide who you want to assign your proxy to. You may want to give it to another member who generally views the association business as you do or will vote in a manner that represents your views. You may also assign your proxy to the Board of Directors. In this case your vote on an item will be as you indicate below only. The Board is unable to represent your views on any variation of an item or a new item that may be brought up for vote.

You must be a member in good-standing for this proxy to be valid. This proxy will be used to satisfy quorum requirements.

A fully executed copy of this proxy may be presented by the member you assign this proxy to or may be mailed to the address listed above.

PROXY

(I)(We), _____ and _____ as owner(s) of the following Lot(s) _____ Malvern Club, Inc. under the provisions of the duly recorded legal instruments governing said Club, do hereby grant my/our Proxy to _____ of Malvern Club Inc., owner of Lot # _____. This Proxy is executed for the 2012 Regular Meeting, to be held on Saturday, October 20, 2012 at 10:00 AM, at Malvern's Clubhouse, and carries with it the full right to the proxy holder to cast his/her/their vote allocated to said lot or lots as he/she sees fit on all issues properly brought for a vote at the meeting for which this proxy is valid.

Signature (Owner): _____ Date _____

Signature (Owner): _____ Date _____

Instructions: Each lot is entitled to one vote; please indicate all lots owned. This proxy will be used to satisfy QUORUM requirements of 50 members voting in person or by proxy. Your proxy may also be used on votes requiring a two-thirds vote of members voting either in person or by proxy. You may ask the member you assign this proxy to vote your wishes or to vote in the same manner as the member will vote. If you assign this proxy to the Board of Directors then you need to indicate your vote on the following motions:

1. Approve the 2013 capital improvements budget In favor _____ Opposed _____
2. Amend covenant #3 to allow recovery of legal fees In favor _____ Opposed _____

Please note the Board of Directors can't use this proxy if the motion is modified or on new motions that may come before the membership. Also note that a majority vote includes only those members present and voting.