

MALVERN CLUB, INC.

BOARD OF DIRECTORS MEETING

MINUTES

January 20, 1992

The Malvern Club, Inc. Board of Directors met on Monday, January 20, 1992, at 7:30 p.m. at the Malvern Clubhouse. The meeting was called to order by President, Ray Brush. All members were present.

The minutes of the November 14, 1991 and November 20, 1991 meetings were read and approved.

Mr. Brush reviewed the financial report as attached and same was committed to file.

Mr. Bursh reported that monthly billing has resulted in an upswing in collection of dues and assessments.

Mr. Brush reported that he has contacted Mr. Eldridge who has indicated Malvern Partner's willingness to assume half the the cost of building the Turkey Trot roadway. Mr. Eldridge indicated that he would like to be advised of an actual target date for beginning the work as soon as possible so that he could have time to get his funds in place before work starts in the spring. Anderson Bros. has advised that their bid of last year would still be a good bid. This matter will be pursued with the road engineer and the road committee.

There has been a request that the plowing requirements be changed to have snow plowing done when the snow reaches a depth of five inches. The Board felt the arrangements should remain as they are, i.e. plowing upon receipt of a snowfall of 3 inches or more. This decision was made based on the need to keep our roadways free of ice and/or snow to avoid any conflicts with the School Board in connection with the school buses now coming into Malvern to pick-up children.

Mr. Place reported for the Buildings and Grounds Committee that no one has indicated an interest in taking over the management of the clubhouse. Mr. Brush indicated that Marge Hall should be contacted as a possible person to assume those duties. Mr. Buser indicated that he would assist in removing the large trees at the Clubhouse entrance.

Mr. Brush reported for Mr. Kalish that the Architectural Committee had denied Mr. Houston's application to paint his silo white and Mr. Houston painted it white despite that denial. Mr. Brush indicated that he and Mr. Kalish visited with the Malvern attorney and were advised to write Mr. Houston a letter allowing him 30 days within which to paint the silo grey and if he did not comply within that time legal action would be taken. The Board unanimously approved the writing of such a letter.

Mr. Kalish reported through Mr. Brush a number of minor violations of the restrictive covenants such as property sign sizes, construction on homes not being completed within allotted time periods, etc. It was the feeling of the Board that the Architectural committee should write letters to these property owners asking for their compliance in a reasonable amount of time. The Board felt it was important that the letters be of a polite tone and reflect the concern of the Board and the Architectural Committee that all members adhere to the restrictive covenants.

Mr. Kemper Dean has advised Mr. Brush that he can install low voltage lights in the ceiling over the mailboxes at the front entrance and in the planter to shine on the sign at a cost of approximately \$200.00. This was discussed in conjunction with the need to shield Mr. Place's house from the intrusion of car lights when cars come into the mailbox area at night. Upon motion made and seconded, the Board approved a plan to install the low voltage lights and at the same time to plant bushes/trees at the mailbox location to create a natural barrier against the car lights.

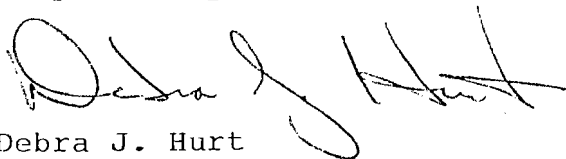
Mr. Brush made note that he had received a complaint that the beavers were again causing problems for property owners on the lake. The Board's position was to handle the matter the same as last year. That is to allow the property owner to arrange for trapping on his own property, but that the Board would not take any action to have the beavers trapped.

The Board discussed possible names for a nominating committee for the April membership meeting. The names submitted were Kevin Corbin, Bud Morley and Dennis Bigler.

The next Board of Directors meeting was set for February 20, 1992 at 7:30 p.m.

With no further business to come before the Board the meeting was adjourned.

Respectfully submitted,



Debra J. Hurt
Secretary

MALVERN CLUB, INC.

BOARD OF DIRECTORS MEETING

MINUTES

February 20, 1992

The Malvern Club, Inc. Board of Directors met on Thursday, February 20, 1992 at 7:30 p.m. at the Malvern Clubhouse. The meeting was called to order by President, Ray Brush. All members were present.

Upon motion made and seconded the minutes of the January 20, 1992 meeting were approved as presented.

Mr. Brush reported that there was a balance in the checking account of \$3,729.00 and a money market balance of \$29,712.00. He further reported that dues on 109 lots had been paid and 29 of those had paid both the \$200.00 regular assessment and the \$150.00 special road assessment.

Mr. Kalish attended the meeting and reported for the architectural committee. He reported that upon he and Mr. Brush meeting with Mr. Houston they felt that a compromise would be in the best interest of the Club at this time, as to proceed with a lawsuit would be costly and may not result in a favorable ruling for the Club at this time. Mr. Kalish recommended that our attorney write Mr. Houston a letter advising him that the matter of the silo being painted white against the direction of the architectural committee would not be pursued provided Mr. Houston bring the shed attached to the silo into conformity, that is to say, it be repainted in the colors of his home. Upon motion made and seconded this recommendation was adopted by the Board.

Mr. Kalish also requested that some measures be taken to tighten up some hazey areas in the procedures for getting architectural committee approval for construction of any improvement. Mr. Kalish expressed some specific changes the committee would be making to the applications to build and advised that Mr. Blankenbaker had agreed not to issue any county building permits unless the applicant already had an approved plan from the architectural committee.

Mr. Brush advised that Mr. Deane would be installing the conduit tomorrow for the low voltage lighting on the

sign at the entrance and the cluster mailboxes, the lights should be installed on Saturday or Sunday of this week.

Mr. Brush advised that Marge Hall and Louisa Grogan were interested in taking over the supervision of the Clubhouse and Mr. Place indicated that his wife was also interested in helping with the Clubhouse. There was discussion regarding the necessity for good coordination between the folks overseeing the operation of the Clubhouse and Mrs. Bickley who handles the rentals.

The Board again discussed the possibility of renting the Clubhouse for outside use and it was the consensus of the Board that the rental to non-members would be a good way of generating additional income for the operation of the Clubhouse. We will check with the attorney to see whether there is any provision in the restrictive covenants or by-laws which would preclude the renting of the Clubhouse to non-members.

Mr. Brush again advised that as soon as the matter with Mr. Houston was wrapped up he would take the steps to switch attorneys to Mr. Jeff Early of the firm Berry and Early in Madison. Mr. Brush spoke with Mr. Early who indicated a good deal of experience in dealing with subdivision/development problems such as the ones facing Malvern at this time and expected to be faced in the future. Mr. Early expressed a willingness to assume the responsibility as counsel to Malvern. However, the matters involving Mr. Houston's nonconformity would have to be resolved first as he had spoken with Mr. Houston regarding representation of him in those matters prior to the meeting with Mr. Brush.

The counter top range for the kitchen has been purchased and will be installed in the near future. Mr. Buser advised that he had limbed up the trees a bit next to the Clubhouse and he was giving notice that unless someone had a last minute objection he would take them down in the near future. Mr. Kalish advised that he would be making the repairs to the porch, in preparation for spring painting, in early March.

Mr. Brush reports that the beavers are back again and that the lot owners being affected have elected not to pursue trapping at this time.

Mr. Brush reported that the road engineer came out on February 4, 1992 and made the recommendations as indicated in the attached letter.

It was reported that the school bus driver is complaining of difficulty in negotiating the parking area. It is felt that if the driver approached the area from the opposite direction from which he or she is now doing the problems would cease. This will be discussed with the appropriate school authority.

Mr. Brush reported that Malvern has been cleared for VA and FHA mortgage application pursuant to his gathering the information that those agencies required.

The Virginia Department of Conservation and Recreation Annual Report forms have arrived. This relates to Malvern Lake and Mr. Brush reports that there seem to be some misleading directions with the forms and he will pursue their clarification.

The nominating committee has been asked to provide their list of nominees to the Board by the end of next week.

It was decided that Mr. Dick Bancroft would be asked to audit the Club's books.

Mr. Brush advised that a work date needed to be set in the near future and that the newsletter would be coming out prior to the annual meeting in April.

The next meeting of the Board of Directors was set for March 18, 1992 at 7:30 p.m. at the Clubhouse.

With no further business to come before the Board the meeting was adjourned.

Respectfully submitted,

Debra J. Hurt
Secretary

Edward DeJ. Berry
Attorney at Law
P.O. Box 391
Madison, Virginia 22727

703/948-4444

March 9, 1992

William Keith Houston
HCR 05 Box 574
Madison, Virginia 22727

Dear Mr. Houston:

The Board of Directors of the Malvern Club and the architectural board have carefully considered the matters that you have presented them with and wish to offer the following compromise:

1. the silo being painted white will be approved on the following conditions:

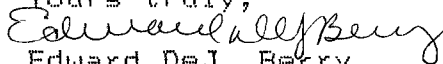
- a) the silo will be painted a uniform white with the uneven areas being touched up
- b) a cap will be installed over the silo to be painted a committee approved color, an approval request must be submitted for this work and work to be done in accordance with the approval as granted.
- c) the color of the storage building must be adjusted to conform to the gray of the garage and house
- d) the garrison size flag must be removed from the silo

2. The silo must be repainted white at least every 7 years or sooner if needed--changes to other colors will require approval of the Committee, application to be made on the required forms.

3. All farm equipment and tools, boats and trailers hereafter stored in the open on your lot must be parked in an orderly manner to the east of the garage and out of view of Covered Bridge Road.

4. All paper and litter on your lot must be picked up and kept in a manner that will prevent it from blowing onto other lots.

We hope this will resolve the matters and look forward to receiving your applications.

Yours truly,

Edward DeJ. Berry

cc: Ray Brush

MALVERN CLUB, INC.

BOARD OF DIRECTORS MEETING

MINUTES

MARCH 18, 1992

The Malvern Club, Inc. Board of Directors met on Wednesday, March 18, 1992 at 7:30 p.m. at the Malvern Clubhouse. The meeting was called to order by President, Ray Brush. All members were present.

Upon motion made and seconded the minutes of the February 20, 1992 meeting were approved as presented.

Upon proposal by David Kalish, and upon motion made and seconded the Board unanimously approved a plan to eliminate the retaining wall and steps from the original plan for improvement to the dock area in an effort to save funds to be utilized for the repairs needed at this time to the docks.

Upon motion made and seconded a rental fee of \$30.00 per year was set for canoes and/or boats utilizing the newly constructed storage racks at the lake.

Mr. Brush distributed a copy of a letter from the Club's attorney to Mr. Houston, a copy of which is attached hereto. This letter proposed an agreement between Malvern Club and Mr. Houston to bring the numerous non-conformities on his property into line with the Club's regulations. Mr. Houston advised that he would not sign this agreement. Mr. Brush asked Mr. Houston to please make a counter proposal to settle these matters. The Board is currently waiting for that counter proposal.

Alan Place, in reporting for the Architectural Committee, advised that his wife, Linda Place, is handling the Clubhouse maintenance as well as the rentals. He further reported that the painting should begin in April.

Mr. Brush reported that the following names had been submitted by the Nominating Committee as nominees for election to the Board at the April membership meeting: Troy Gooding, Cathy Clements, William Galloway, David Kalish and Don Buser.

Mr. Place will review the Club's insurance policies and make certain they are adequate and also have his company bid the policies to see if there could be any savings on the premium the Club is now paying.

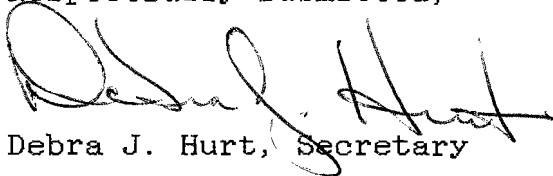
Mr. Brush asked for recommendations of persons to assist Louisa Grogan in the audit. Barbara Cason's name was submitted.

The next meeting of the Board of Directors was set for Monday, April 20, 1992, at 7:30 p.m. at the Clubhouse.

Minutes reported by Troy Gooding after Debra Hurt left meeting early:

Attached are Mr. Gooding's clear notes regarding discussions on road construction, unpaid dues, reassessment figures and bank account balances.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Debra J. Hurt". The signature is written in black ink and is positioned above the typed name and title.

Debra J. Hurt, Secretary

MALVERN CLUB, INC.
BOARD OF DIRECTORS MEETING
MINUTES
APRIL, 20, 1992

The Malvern Club, Inc. Board of Directors met on Monday, April 20, 1992 at the Malvern Clubhouse. The meeting was called to order by President Ray Brush at 7:45 P.M.. All members were present.

Mr. Brush reported that Mr. McClain has requested input from the Board on what appears to be a problem getting well and septic approval on his Lot 162. The Board felt that Mr. McClain should first clear his lot enough to make it accessible for county inspectors as well as private inspection and then consult a private company to evaluate the feasibility of installing well and septic on that lot before any further consideration by the Board.

Mr. Houston has responded to Mr. Berry and Mr. Brush's requests for conformity negatively. The Board briefly discussed this matter with no decision being made at this meeting.

David Kalish reported that upon investigation he found that the propane companies provide underground propane tanks at no cost to its consumers. Therefore, the architectural committee will no longer approve any aboveground tanks in an effort to handle the problem with getting lot owners to conceal the above ground tanks.

Alan Place reported that the painting on the Clubhouse will start as soon as the weather permits. The contract has been signed.

Mr. Place further reported that the bushes have been trimmed and the trees taken down for the clubhouse painting to begin and a thorough cleaning of the inside of the clubhouse has been undertaken.

Mr. Judd will again have the contract for cutting the community grass (clubhouse etc.) The cutting will be every two weeks and will also include trimming for a cost of \$90/cutting.

Mr. Bigler will again have the contract for maintenance of the pool. He will be paid \$10.00/hour for preparation until the pool is opened and then \$125.00/week for maintenance after pool is opened.

The Board discussed the moisture problem in the pool pump-house and the deteriorated condition of the water tank there. Mr. Kalish and Mr. Buser will be exploring remedial measures for the moisture problem and the replacement of the water tank at a future time.

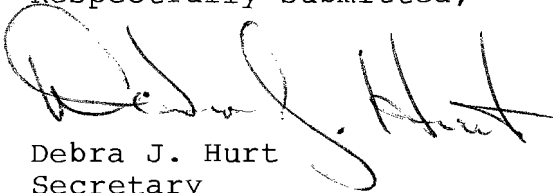
Mr. Brush reported that he had had no word from Coe Eldridge as far as receipt of one-half the funds for the construction of Turkey Trot and reported that construction would not begin until those funds were in hand.

Mr. Brush reported that Mr. Carr had informed him that he would like to discuss the possibility of Malvern Club purchasing the remaining UVA lots that Malvern Partners have not elected to exercise their option on. The Board decided to ask the membership at the annual meeting for permission to enter into such a discussion.

It was determined by the Board that at the election of officers at the annual meeting that the 1 year remaining term would be voted on first and then the two new full two-year terms would be voted together. Mr. Brush advised that he wished to propose a social committee to the membership at the meeting on April 26, 1992, the Board concurred.

With no further business to come before the Board the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Debra J. Hurt".

Debra J. Hurt
Secretary

MALVERN CLUB, INC.

**ANNUAL MEETING
APRIL 25, 1992**

MINUTES

The Annual meeting of Malvern Club, Inc. was held at the Malvern Clubhouse on Saturday, April 25, 1992.

President Ray Brush called the meeting to order at 2:07 P.M. 66 lots were represented in person or by proxy. Lee Graham and Grace Alan served as registrars.

Upon motion made and seconded the reading of the minutes were dispensed with as all in attendance had been distributed the minutes of the October 19, 1991 Budget Meeting in written form, and those minutes were unanimously approved as distributed.

Mr. Brush distributed a written report of income and expenses (also mailed with proxy documents) for January 1, 1991 through December 31, 1991, a copy of which is attached hereto. Mr. Brush expanded on this written report by reporting that the increase reflected in actual income was a reflection of monies due from '92 assessments, but which were actually received before year-end '91, and further that pool expenses were less than projected, building and grounds was more than expected and the road construction budget was on target. The Balance Sheet, also distributed and mailed and attached hereto, was discussed by Mr. Brush.

Louisa Grogan reported for the audit committee by reading that committee's letter report, a copy of which is attached hereto, which reported that that committee found the financial records of the Club to be in order. Upon motion made and seconded the Audit Committee Report was accepted as presented.

The following people were recognized for their invaluable contributions to the Club over the past year in areas of reservations, Clubhouse maintenance and upkeep, installation of mailboxes, adaptation of entrance planter for school bus service, and lighting at the entrance: Helen Bickley, Meg Morley, Nancy Lambert, David Kalish Kemper Deane, Don Buser and Charles Conrad and Bud Morley for their work with the road construction.

Road Committee Report:

Mr. Conrad reported a successful year with road construction and the efficient use of the monies budgeted through the efforts of the Board, the consulting engineer's assistance and the excellent value received from Anderson Brothers. Mr. Conrad reported that the next projects undertaken will be remedial work on Malvern Drive, clip the shoulders on Covered Bridge and pull the shoulders out and widen the hill near the bridge, expected to be completed this year are Turkey Trot, Surry Court, and Sleigh Bell. Mr. Conrad reported that the Road Committee expected to be asking the Board for permission to use any surplus funds to

clear, do subgrading and put culverts in on Carriage Lane. Mr. Brush advised that Turkey Trot construction will be completed with the aid of Malvern Partner's paying one-half of the construction cost for that road.

Bud Kreh reported that he has the listing on the lots on Turkey Trot and that the owners were anxious to "cut a deal" on the first lot sold there to raise cash for the impending road construction.

Buildings and Grounds Committee:

Alan Place reported that there was a new sign painted and installed and lighted at the entrance, the planter has been reconstructed, the Clubhouse painting is to begin right away, a new stove top has been installed in the clubhouse kitchen and that Linda Place will be handling reservations and cleaning of the Clubhouse and Marge Hall and Louisa Grogan will be in charge of social events. It is expected that the use of the clubhouse will continue to increase as it has in recent months. Mr. Place also reported that Donald Judd will again be in charge of mowing and David Bigler in charge of the pool.

The membership discussed the desire that the stables be put to a use to benefit the membership.

Mr. Kalish advised that he was recommending to the Board that the beach area at the dock area not be upgraded at this time, but only the boat storage units be constructed in an effort to conserve funds for the repair of the badly deteriorated docks.

Architectural Committee:

Mr. Kalish reported that there have been 3 requests for new home construction and construction approval had been granted at that time for Lot 210. He further reported that the committee has coordinated with the county inspector and no construction permits will be granted without first having the approval of the Architectural Committee. He further reported that after investigation he has found that the gas company will provide underground propane tanks for new construction at no charge to consumers, therefore, the architectural committee will no longer approve above ground tanks because of the problem with getting members to conceal them.

Mr. Brush proposed to the membership the formation of a seven member social committee to promote a cohesive community, this committee would prepare a social calendar for club members and would focus on activities for new members, or families with pre-school children and families with school age children, working members and retired members. Marge Hall reported that she had started to put together a social calendar and wished to circulate a sign-up sheet to expand their base for input of events and participants.

Upon motion made and seconded the membership unanimously approved the following amendment to the Deed of Dedication,

Item 10. No sign shall be erected on any lot other than one designating the identity of the owner thereon, and in no case shall a sign exceed in size two square feet and the design of such sign shall be subject to the prior approval of the Property Owner's Association or the Developer. In the event a lot owner offers his property for sale he may place one appropriate "for sale" sign on his lot. If the lot is improved by a dwelling the sign size shall not exceed four and one-half square feet, if the lot is unimproved the size of the sign shall not exceed two square feet. All sign design shall be subject to the prior approval of the Property Owners Association.

(Secretary's note - above underlining indicates new language.)

The membership was advised that some people were still parking on the upper drive at the Clubhouse during school bus service hours which creates a problem for the driver in turning around. The membership was asked to remain aware of this problem and avoid parking on the upper drive at times when the school bus would need to pick-up or drop off children.

David Kalish requested input from the membership on whether to attempt to amend the Deed of Dedication at a later date to restrict the number of permanent structures on a lot. There was support for the proposition as well as strong opposition.

Mr. Brush advised that the mowing of undeveloped open lots will be handled by requesting all owners to mow twice a year and those not wishing to handle the mowing themselves would be allowed to participate in a pool, wherein the Club would contract with someone to do all the lots in the pool and each member of the pool would then pay their pro-rata share through the Club.

Election of Officers:

Mr. Brush advised that the membership would first vote on the remaining one year term to be filled on the Board which was currently being held by a Board appointment, Mr. Don Buser. Upon motion made and seconded, Don Buser was elected to complete the one year term.

Mr. Brush advised that the nominees for the two full year terms were David Kalish, Kathy Clements, Troy Gooding and William Galloway. By Ballot vote, David Kalish and Kathy Clements were elected to the Board of Directors.

Mr. Brush advised that the properties owned by Malvern Club had been assessed at what seemed to be excessive amounts. He appeared before the reassessment board to voice concern over the values and was advised that they would be adjusted.

David Kalish and David Aliff presented to the membership three different proposals for new road signs. Upon vote of the membership the new sign style was chosen as the second or middle sign depicted in the illustration. The construction of these signs will begin in the near future with only major roads being marked to start with. Bud Kreh advised that Century 21 Realty would donate two of the new road signs to the Club.

The membership discussed the possibility of the Board taking measures to adjust dues and assessments for lots that are not suitable for building. After much discussion the Board advised that it would consult legal counsel as to what its position on the matter could entail and take the matter under consideration until such time as legal counsel on what positions could be available to it was received.

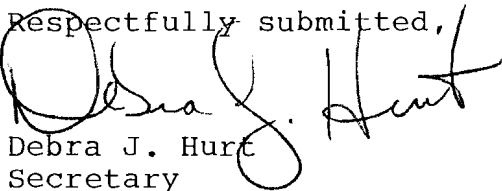
Upon motion made and seconded it was the unanimous directive of the membership that the Board fully investigate the possibility of making adjustments in dues and assessments for lots that could not be developed with dwellings.

Arch Swett and The Lambert's were thanked for their services to the Club throughout the past year.

Tellers for the ballot votes were Don Strode, Caroline Watts and Jim Rumpler.

With no further business and upon motion made and seconded the meeting was adjourned at 4:09 P.M.

Respectfully submitted,


Debra J. Hurt
Secretary

Malvern Club, Inc.
Board of Directors Meeting
June , 1992

Board of Directors meeting called to order at 7:30 p.m.

First order of business was a discussion on the use of I.D. cards for members to be distributed and used by the membership.

Jeff Early was invited to speak as our new attorney regarding the University purchase.

Mr. Carr's original proposal of \$85,000 has been negotiated to a bottom line of \$70,000. We prorate the paid dues and then they pay for the surveying of the lots on Old Forge Way. The offered financing of 1/3 down and 3 more payments at 12, 24, and 36 months at 7%.

Two main legal questions that were answered were:

Can the Malvern Club, Inc own lots? Yes.

Is the MCI liable for the road work? Basically, yes.
Mr. Early to research our role as developer.

Discussion on liability involving the diving board. Recommended to resolve at the Fall membership meeting.

Motion to have Barbara Bigler paint large sign with the basic pool rules -- fee \$50. Approved.

Motion to install white aluminum or vinyl fascia and drip cap behind gutters. Approved.

Stall rentals to run by calendar year. Boat slip rentals to run June 1st to May 31 of following year.

Adjourned 10:45 p.m.

Respectfully submitted,

David Kalish

SPECIAL MEETING

Malvern Club, Inc.
Saturday, June 13, 1992

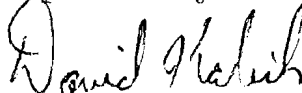
The Malvern Club, Inc. had a special meeting to discuss and vote on the purchase of the remaining 17 lots for the UVA Alumin Fund. The meeting was called to order at 10:45 A.M. Seventy five lots were represented. Motion for discussion of purchase of UVA lots, seconded, so carried.

The Board made its' presentation on the purchase of the remaining 17 lots from the UVA Alumni Fund. The lots are being offered for \$70,000 and UVA would survey the lots for M.C.I.. The financing package consists of 1/3 down and 3 more payments at 12 month increments. The purchase price per lot would average approximately \$4,150. The Board feels that this would be a great opportunity not only to control the installation of roads to these lots, but to net a very good profit to the Club. This would possibly eliminate the Special Assessment and complete road work and other amenities over the next three to five years.

After much discussion a motion was put on the floor and seconded not to purchase the lots from UVA Alumni Fund. There was some more discussion as to the Club's role as developer and our obligations for completion of roads. Our legal representative stated that we do have an obligation for completion of the subdivision as developer.

Another motion was put on the floor to vote and seconded. Ballots were cast and the tally was 39 against the purchase and 29 for the purchase. We adjourned at 12:00 P.M.

Respectfully submitted,



David Kalish
Secretary

Malvern Club, Inc.
Board of Directors Meeting
July 14, 1992

Board of Directors meeting called to order at 7:30 p.m. by Alan Place, President.

Mr. Woodson, a member, was present to present his problem with his driveway entrance which was created by the widening of Covered Bridge Drive. The Board agreed to meet with him to reach a solution to correct the accessibility of his driveway.

As for work on Turkey Trot, there was no response yet from Eldridge for his share of the road funds. Shoulders on Malvern Drive to be clipped to allow for proper drainage. Discussion opened on proposal for building and repairs of the docks. Deck to be removed from clubhouse. Don Buser to begin work on the 18th. David Kalish to install all vinyl fascia and drip edge. Discussion on restricting use of pool lifeguard and limiting hours. Newsletter to go out to membership.

Adjourned 10:30 p.m.

Respectfully submitted,



David Kalish
Secretary

July 15, 1992

Malvern Club Inc. Members.

RE: June 13, 1992 Special Membership Meeting

The meeting was for the sole purpose of looking at the possible purchase of 17 UVA lots by Malvern Club.

A final motion "To NOT purchase the 17 Malvern lots as offered by the University of Virginia Alumni Fund" was passed 39 to 29.

This letter was prompted by the many requests from Club members for more facts about this issue. Therefore the following is a listing of all the facts and assumptions available to your Board of Directors.

1) 17 lots for sale by U.Va. Fund at \$70,000, or as stated by the U.Va. Fund representative, \$5,000 for 14 lots and 3 lots at no charge.

2) U.Va would survey all unmarked lots.

3) Cost to Malvern Club Inc.:

A) Required down payment of \$20,000

B) Possible lost dues on 17 lots x 200 x 5 yrs. = \$17,000

C) Taxes (based on 1992) 17 lots x \$155 x 5 yrs. = \$13,175

D) Interest on loan \$50,000 x 8% x 5 yrs. = \$20,000

Total over 5 years - \$70,175

4) Projected income for Malvern Club:

A) Sale of 14 lots over 5 years

B) Immediate sale of 2 lots x \$11,000 (wholesale price to cover down payment) = \$ 22,000

C) Sale of 12 lots x \$18,000 = \$216,000

Average retail price of lots sold in Malvern over last 2 1/2 years = \$20,600

D) 3 lots may be unsalable.

\$216,000 + \$22,000 = \$238,000

Total to Malvern:

\$238,000 less \$70,175 (see above) = \$167,825

\$167,825 less \$50,000 (remainder of purchase price) = \$117,825

(\$117,825 equates to 3.4 years of special assessments of \$150/lot.)

5) The cost of completing Old Forge Way to the 13 lots (2 currently owned by Malvern, and the 11 being sold by U.Va) has not been deducted from the income of these lots because the cost of that 2,145 feet of road construction is the responsibility of the Malvern Club regardless of who owns the lots. Under both Code of Virginia, Chapter 19 Subdivided Land Sales Act, Section 55-344 and the October 21, 1989 amendment to the Deed of Dedication as recorded in Deed Book 204, page

278 in the Clerk's Office of the Circuit Court of Madison County, Malvern Club, Inc is responsible for completing the roads in the subdivision.

6) At the June 13 meeting the question was raised regarding the salability of lots in Malvern. The following table speaks for itself. The table also indicates the average sales price by year as well as the price range. Further this table indicates that while the economic situation has reduced the number of lot sales it has not materially reduced the selling price of lots in Malvern.

Lot Sales in Malvern 1/1/87 - 6/30/92*

	Lot with House	Lot Only	Average Price (\$1000)	Price Range
1987	0	11	9.4	6.0 - 13.0
1988	0	31	11.6	6.9 - 20.0
1989	6	45	15.0	9.0 - 26.0
1990	5	8	21.6	18.5 - 26.0
1991	5	3	18.2	16.5 - 20.0
1992 (6 mo.)	2	4	20.7	15.0 - 25.0
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	18	102**		

Average price for the 15 lots sold between 1/1/90 and 6/30/92 was \$20.6

*Source: Records in office of Madison County Clerk.

**This does not include the purchase of 49 lots by Malvern Partners from U.V.Fund between August 1988 and June 1992 nor 12 lot sales which were transfers of ownership within a company, divorce settlement or trustee sale.

7) At the June 13th meeting the question was asked "Does Malvern Club, Inc have the legal right to purchase the 17 lots now owned by UV Fund". The attorney present said "yes". His answer was based on the following quotation from Articles of Incorporation of Malvern Club, Inc. Article IV "PURPOSE AND POWERS OF THE CLUB (b) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Club;"

Based on current facts your Board of Directors knows of only two ways to pay for new road construction 1) dues and special road assessments, 2) profits from lot sales.

If after having the facts and assumptions on which the Board recommendation was made and the membership wishes to reconsider, U.V.Fund has agreed to continue their offer for a limited time. The by-laws in IV Meeting of the Members, Section 3, Special Meetings reads "A special meeting of the members may be called by the Board of Directors. A special meeting of the members must be called within 30 days by the President or Board of Directors, if requested by written petition of the members in good standing representing not less than 1/20 of the votes. (Currently 212 votes are in good standing. 1/20 is 11. A vote is a lot with assessments current.)

If any Club member has an interest in discussing these facts further you

may contact any member of the Malvern Board of Directors:

Alan Place	948-4141
Ray Brush	948-6436
David Kalish	948-3640
Kathy Clements	948-6209
Don Buser	703-754-8324

Malvern Club, Inc.
Board of Directors Meeting
September 1992

Meeting called to order by Alan Place, President at 7:45 p.m. Mr. Brush presented financial report. Discussion on establish new budget. It was noted that Special Assessment collections were falling behind.

Road Committee gave its preliminary recommendations for roadwork for 1993. (Report attached) After much discussion, it was decided that there is still a need for the Special Assessment. Other roads that need work besides Road Committee's recommendation: Chestnut Rail, Sandy Beach Way.

Board also discussed areas of need other than roads such as the stable improvements and work to the pool area. More finalized ideas to be established by the next budget meeting.

Mr. Buser recommended leaving gutters off the clubhouse; only ones to be reinstalled are the ones over the walkway.

Meeting adjourned 9:00 p.m.

Respectfully submitted,

David Kalish
Secretary

Malvern Club, Inc.
Board of Directors Meeting
October , 1992

Board meeting called to order by Alan Place at 8:00 p.m. A worksheet was passed out by Ray Brush as a guideline for establishing new budget. The board agreed to increase regular assessment to \$225 and reduce Special assessment to \$125. Special assessments are more difficult to collect.

Board agreed to leave some funds in the Building & Grounds fund to allow for improvements and repairs to docks and pool area. Motion to purchase a mesh winter cover for pool--so carried.

Board agreed that stable area needs work badly. First stage to be done at no expense to Club through the use of volunteers. Scope of project: clear growth from buildings and begin clearing pasture area and fences.

Meeting adjourned 9:15 p.m.

Respectfully submitted,

David Kalish
Secretary

Malvern Club, Inc.
Board of Directors Meeting
November 17, 1992

Regular Board of Directors Meeting called to order 8 p.m.
Alan Place presiding the chair.

A motion was made and seconded that two members of the Board have authorization to sign checks. Board approved that the Treasurer and President will both have authority to issue checks.

At the request of the Road Committee , a motion was made that it be an official policy that approval to build would not be issued until a driveway culvert be installed at entrance of driveway. The minimum sized diameter of 15" is the Road Committee's recommendation. This would only be required if the Architectural Committee and Road Committee felt it was necessary. This will be communicated to the membership.

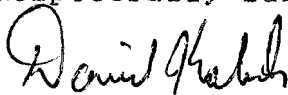
A motion made and so carried in accordance with the Bylaws Article 9, Sect. 2; the budget has been accepted and the assessments will be \$225 Regular; \$125 Special.

It was agreed to finish Clubhouse repairs (repair storm sash; install shutters and buy Christmas decorations; install light for parking lot steps).

Work to begin on docks a.s.a.p. weather permitting. Docks to be closed and posted accordingly.

Motion to adjourn, 9:30 p.m.

Respectfully submitted,



David Kalish