

MINUTES
REGULAR MEMBERSHIP MEETING
SATURDAY, OCTOBER 20, 2012

Quorum: President Roberta Jalbert confirmed a quorum consisting of 50 members were present or represented by proxy and called the meeting to order at 10:09 a.m. President Jalbert stated a member was recording the meeting.

Firewise Program: Gena Williams of the Virginia Department of Forestry gave a presentation about the Firewise program, the work done so far within Malvern and how owners participating in the program should prepare their brush piles prior to the professional tree crew scheduled to arrive in Malvern for several days in January. This work is done with federal/state grant money – there is no cost to Malvern except for “in-kind” services.

April Minutes: A motion was made and seconded to approve the minutes of the April 28, 2012 Annual Meeting. The motion was unanimously approved by voice vote of those members present.

Election: A motion was made and seconded to elect Ed Johnson to fill the remaining term of former Board member Brian Paul. The motion was unanimously approved by voice vote by those members present.

Meeting Format: President Jalbert made a statement regarding proper procedures to be followed during the meeting.

Treasurer’s Report: **1)** The Treasurer submitted a written report which is attached; **2)** the Treasurer made a motion which was seconded that the membership approve hiring a consultant for a cost not to exceed \$7,500 to prepare an independent reserve study. By a show of hands, the motion was approved by a majority vote of those members present.

2013 Budget: **1)** With regard to the proposed budget, a motion was made and seconded that the budget line item 34 for pool security be used specifically for a new pool door with a security entrance feature and for afterhours security such as an alarm system in lieu of paying a pool monitor. By a show of hands, the motion failed to receive a majority vote of those members present; **2)** the Treasurer made a motion which was seconded that the membership approve the \$66,200 capital improvements budget proposed for 2013. The motion was approved by an affirmative ballot vote of more than two-thirds of the members present or voting by proxy; **3)** the Treasurer made a motion which was seconded to approve designating an additional \$10,000 of current funds be added to the reserve fund for dam maintenance in calendar year 2012. The motion was approved by an affirmative ballot vote of more than two-thirds of the members present or voting by proxy; **4)** the Treasurer made a motion which was seconded to approve the proposed 2013 operating budget. The motion was unanimously approved by voice vote of those members present.

Covenant Change: The Treasurer made a motion which was seconded to approve modifying Covenant 3 as proposed. The motion was approved by an affirmative ballot vote of more than two-thirds of the members present or voting by proxy.

Committee Member Reports: Secretary Ed Johnson, clubhouse and pool chairman Joe Graham, grounds and lake chairman Randy Allen, architectural chairman Paul Hankla, and roads chairman Wallace Harvey all gave brief verbal reports on their past and projected committee activities. Events representative Merri Woodward reported on the September picnic and upcoming Halloween planning.

Malvern Club, Inc.

Old Business: 1) a member made a motion which was seconded that the Board research and report to the membership in April the cost of removing the tree in the parking area that is damaging the asphalt and for the cost of repairing the asphalt. The motion was approved by an affirmative majority voice vote of those members present; **2)** Ann Ferguson gave a special thank you retiring Adopt-a-Highway helpers Barbara and Frank Sargent and Claire and Bob Anderson. They have been part of the group voluntarily cleaning about 2 miles of Oak Park Road twice each year for many years. Ann welcomed new volunteers Jennifer and Adam McLeod and Emily and Michael Bourdon.

New Business: 1) A member asked the Board to the minimize “legalese” such as is contained in recently adopted policies and the covenant just passed; **2)** a member asked the Board to reconsider the complaint policy so that there will be a separate policy for complaints regarding covenant violations and another policy for complaints regarding Virginia administrative and statute laws and also to remove the reference that an individual member could be charged attorney fees in conjunction to a complaint that is filed by that member. President Jalbert stated the policy would be revisited.

There being no further business to bring before the membership, the meeting was adjourned at 12:20 p.m. The next Annual Membership Meeting is scheduled for Saturday, April 27, 2013, at 10:00 a.m.

Respectfully submitted,

Ed Johnson, Secretary
Malvern Club, Inc.

Attachment #1: Treasurer’s Report
Attachment #2: Proposed Covenant Change

Malvern Club Treasurer’s Report on October 20, 2012

INCOME – Through October 19, 2012

\$117,105.00 of regular assessments were received – 96.3% of budgeted amount of \$122,850.00.

Total of \$126,758.098 received for all income categories – 96.6% of budgeted amount of \$131,255.00.

EXPENSES – Through October 19, 2012

Capital Improvements - A total of \$92,155.22, was expended –88.4% of budgeted amount.

Reserve Fund Set aside - \$40,000.00 – 100% of budgeted amount

Improvement Projects - \$52,155.22 – 81.2% of budgeted amount

Operating Expenses - A total of \$36,444.95 was expended – 77.5% of budgeted amount.

A cumulative total of all funds in the amount of \$128,600.17 was expended – 85.0% of \$151,255.00 budgeted amount for expenditures. This reflects the authorized increase to the 2012 funding in the amount of \$20,000.00 from the Membership Meeting on April 28, 2012.

ACCOUNT BALANCES – As of October 19, 2012

1st Bank

Checking Account - \$6,933.17

Money Market Account - \$75,816.31

Reserve Account - \$20,676.59

(\$.5k earmarked for roads maintenance & \$20k earmarked for dam maintenance)

2nd Bank – (\$80.0k earmarked for roads maintenance)

Checking Account 70.00

Reserve Account – 2nd Bank \$79,995.70

Total Funds Available - \$183,491.77

INSURANCE STATUS

After Board of Directors approval, meetings were held throughout the year with our insurance agent to negotiate for the following significant changes to the Residential Community Association Policy: Increase of deductibles; increase of coverage for additional pertinent structures (to include the mailbox area and the new playground structure); increase of Directors and Officers liability coverage; increase of Business Liability coverage; as well as the addition of earthquake coverage. An application for a new policy for the state required Fidelity Bond coverage for the Board of Directors is being processed and should be received any day.

**Malvern Club Treasurer's Report on October 20, 2012
(continued)**

FISCAL YEAR 2012 ASSESSMENTS

As of October 19, 2012, 3.85% or 9 current and previous property owners are delinquent on all or some of their 2012 first assessment payment, with funds due totaling \$2,268.00 and an additional \$252.50 of applicable late fees. Eight of these current and previous property owners' accounts were turned over to the Malvern's HOA Attorney for pending overdue 2011 and 2012 accelerated assessments for lien filing or collection action as approved by the Board of Directors.

As of October 19, 2012, 2.99% or 7 additional property owners have not paid any or all of their second assessment totaling \$1,575.00 and an additional \$210.00 of applicable late fees that became due on September 1st and was late as of October 1st.

As of October 19, 2012, the 7 demand letters were mailed to the property owners who had not paid their second half assessments by September 30, 2012. If payment is not received by October 30, 2012, certified demand letters will then be mailed to each overdue property owner. The Board of Directors will be asked for permission to proceed with lien filing or collection action at the November 8, 2012 Board of Directors meeting for any of these 7 property owners who have not paid their overdue second half assessments and associated late fees or entered into payment plans to satisfy these debts.

Therefore, the current total amount of only 2012 delinquent assessments and associated late fees for 2012 is \$4,305.50.

FINANCE COMMITTEE MONTHLY RECONCILIATIONS

The Finance Committee has met routinely throughout the current fiscal year and to date all financial records through the month of August have been reconciled. The current non Board of Directors members of the committee are Rick Collins, Diane Cross, and Karen Pilkerton.

Respectfully submitted by,

Donna J. Phillips
Treasurer
Malvern Club, Inc.

Proposed Covenant 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.