

Malvern Club, Inc.

ANNUAL MEMBERSHIP MEETING June 27, 2020 Approved Minutes

Location: Malvern Clubhouse, 905 Malvern Drive, Madison, Virginia.

Sign-in: Members signed in as they arrived, beginning at 9:30 a.m. Proxies for voting on the Short-term Rentals Amendment were collected. Members were given ballots showing the number of votes they could cast in the Board of Directors election. Members who had paid for a pool key received a key.

Quorum Present: The Secretary reported that 56 lots were represented by members attending or proxies executed. The President announced that the minimum 50-member quorum requirement was met and called the meeting to order at 10:06 a.m.

Board Members Present

President:	Rodney Taylor
1 st VP & Secretary:	Fred Bourque
2 nd VP:	Grover Dean
Treasurer:	Diana Wright
Director:	Rick Collins
Director:	Doug Beaver

Decisions & Actions

1. The minutes of the October 20, 2019, Regular Membership Meeting were approved.
2. Directors were elected to fill four Board vacancies: Rick Collins, Steve Langone, Rodney Taylor, and Diana Wright.
3. The vote on the proposed amendment to the Deed of Dedication to add a covenant limiting short-terms rentals was begun.
4. The new siphon drain for the lake will be installed in September.
5. The Clubhouse is available for reservations without restrictions.
6. The Pool will be open through Labor Day with COVID19 protocols in effect.
7. Tree trimming and mowing will be done along the roadways this summer.
8. The Playground will get a new layer of mulch this summer.
9. Paving for 2020 has been completed, except for emergency repairs that may be required.

Malvern Club, Inc.

10. A catered barbeque lunch will be provided following the October 17th meeting.

Committee Reports

Treasurer. Diana reported that we currently have \$281,887.86 in our Operating Funds accounts and \$262,245.85 in our Reserve Funds accounts, for a total of \$544,133.71 on hand. She said she had paid the 2019 taxes, which were minimal. She said they were only the taxes charged on the interest earned on our bank accounts.

Clubhouse. Fred said the Clubhouse had not been used in March, April, or May because of COVID19 restrictions. He said it is now available for use and that reservations are being taken. Rodney explained the need to change the Clubhouse use policy language. He said the association now has to pay a transient use tax on Clubhouse rentals because the county treats any facility that permits short-term stays the same as a hotel. He said he had met with the Commissioner and explained that the Malvern members own the Clubhouse and they may reserve it for their exclusive use. The \$70 charged is a use fee, not a rent. The Commissioner conceded that the Clubhouse is not a hotel, per se, but he said the county would still levy the 5 percent transient use tax on overnight stays. Rodney said the Clubhouse policy and procedures documents would be amended to eliminate all references to “rent” or “rental.”

Pool. Fred said the Pool opened on May 23rd and will be open daily from 7:00 a.m. to 10:00 p.m. through Labor Day. He explained the COVID19 Phase II restrictions of swimming pools. These include limiting occupancy inside the Pool fence to 42 people, which is half the capacity for the Pool enclosure. He said people need to maintain 10 feet of separation between themselves and other people who are not members of their household or guests. He also reminded members that no one with any kind of communicable illness should come to the Pool. He said he had given out over 100 pool keys and that members who would like a pool key should contact him.

Lake. Rick reported on the siphon drain project. He said we had awarded a contract for the work and that the system will be installed in September. He advised the members that the lake level could be down as much as 5 feet after the installation.

Grounds. Rick reminded members that tree trimming along the roadways is a lot owner’s responsibility. He asked that members trim their trees and bushes back 6 to 8 feet from the road pavement and 15 feet above the pavement. This is the clearance required for firetrucks and other large emergency vehicles. He said the association would do the trimming if members are unable to do it. He said Jason Woodward will do the trimming for the association this summer. Jason will also mow along the roadways. Rick advised that the Playground mulch is getting thin. He said he will have MSL, our landscape contractor, do the weeding of the Playground and apply the mulch. They will use playground-approved mulch and spray it to a depth of at least 9 inches, as recommended. Rick acknowledged the work of Debra Dean and her crew to keep the entrance area beautiful.

Roads. Grover reported that \$262,000 had been spent out of the \$265,000 2020 budget for paving. He said we had been able to pave more roadway than planned because of the lower

rate we got from S. L. Williamson, the paving contractor. He said we had planned to pave Malvern Drive from the entrance to the stop signs and from there along Covered Bridge to Powderhorn. Because of the good rate, we were able to pave up to Pine Torch on Malvern, past Aroda on Covered Bridge, and all of Liberty. We were also able to complete all repairs left over from 2019. Not included in the 2020 budget were the repairs required on Old Forge. Those repairs cost \$21,500. Some of the Old Forge repairs were required because of damage sustained during house construction. He said the Board would decide whether to retain the road impact fees being held in escrow to help defray that cost. Currently, there is \$3,000 in escrow on the Old Forge projects. We also are owed \$1,300 by our contractor who was supposed to complete the paving repairs last year. There is a warrant out for his arrest. Grover said the remaining cost of these emergency repairs would be taken from retained earnings so that no additional 2020 budget would be required. He said that the repairs being made are not patches, for the most part. He said we are paving the roadway edge to edge in 8-foot-wide strips. We're also using a coarser aggregate than you would for patching. This is to build up the base for future paving. Lee Rees asked if the tree roots on Carriage Lane could be done, too. Grover said he would look at them.

Rodney addressed some complaints that the Board had received about the paving plan for 2020. He said some people thought we should have paved different roads. Rather than revisit the rationale for the plan, Rodney reminded everyone that the plan was discussed at every Board meeting for 2 years, was outlined in the Reserve Study that was published in February 2019, was discussed at the April 2019 Annual Membership Meeting, and was discussed and approved at the 2019 Regular Membership Meeting. He said it is a good plan that puts our most heavily traveled roads in good shape for another 15 to 20 years. He said the side roads will be addressed in the coming years.

Social Events. Diana said the barbeque lunch that was planned to follow the Annual Membership Meeting will be rescheduled for October 17th. It will be a catered barbecue lunch for members and their families and guests following the Regular Membership Meeting starting at around 12:30 p.m. here at the Clubhouse. Diana also asked members who use the Activity Center to please sweep up after your event. There is a broom and dustpan in the room for your use.

Firewise. Susan said the Firewise page on the Malvern website has useful tips on fire prevention in and around your home. She asked members to submit their logs sooner rather than wait till the end of the year to submit them. She said you can submit logs as often as is convenient for you. She said the website also has examples of in-kind projects that can be included on your logs.

Yard Sale. Rodney said Ellie Tarbous is planning a community yard sale for some time later in the year. Contact Ellie to participate.

Trash Pickup. Fred thanked Nancy Negron for leading the Adopt-a-Highway program for Malvern over the past 2 years. Nancy is unable to continue in the coordinator's role, and a volunteer is needed to take it over. Nancy described the coordinator's role and the work involved. She said she would be happy to help the new coordinator get started.

Board of Directors Election

Rodney said there are four seats to be filled: Rodney's, Rick's, Diana's, and John's. Four members have agreed to serve if elected: Rick, Rodney, Diana, and Steve Langone. The vote was then taken by secret written ballot.

Amendment Vote

Rodney introduced the amendment to the Deed of Declaration (i.e., the covenants) that was requested by the members attending the 2019 Regular Membership Meeting and published in the Spring Communicator for this meeting. The amendment would set limits on short-term rentals (e.g., Airbnb) in Malvern. The proposed change is the text shown in bold face below. No other changes are proposed:

- a) RESOLVED, that the Deed of Dedication be and hereby is amended by deleting the current Section 2 thereof, and replacing it with the following new Section 2:

2. The lots designated in the subdivision shall be used for residential purposes only, and no profession, business, trade, enterprise or commercial activity of any kind or any nature shall be conducted or carried on upon any said lot or within any dwelling hereinafter erected thereon, without the express written approval of the developer and/or the Property Owner's Association. **No lot or dwelling thereupon shall be rented for revolving use, transient use, or hotel purposes—including use as a bed and breakfast, for short term on-line rental, or the like. No lot or dwelling shall be leased or rented in its entirety for any period less than thirty (30) days.**

Rodney said an important thing we want to accomplish with this vote is to dry run a process for amending the Declaration. As far as the Board knows, Malvern has not followed a defined process to amend the Declaration, so we are defining a new process that will then be followed for all future proposed amendments. The Board consulted with the association's attorney and came up with this process, which is consistent with the Property Owners Association Act of 2010. He reminded the members that amending the Declaration is serious business. He said the Deed of Declaration is the member's contract with the community. It should be difficult to change.

Rodney then explained the process to be followed to take the amendment vote. He said it takes a two-thirds majority of all lots to amend the Declaration. There are 234 lots in Malvern. So, 156 votes are required to adopt the amendment, or 79 votes are required to reject the amendment. By Virginia law, the vote may take up to 11 months, starting on the date of this meeting. So, the voting will end on May 26, 2021, at the latest, or whenever there are enough votes cast to approve or not to approve the amendment. Each lot will be allowed one vote, regardless of status (i.e., good standing or not), consistent with our By-Laws. He said the proxies collected during sign-in would be kept by the Secretary for the period of the voting. Fred reported that 55 votes had been cast. There were 42 votes for approval and 13 votes not to approve the amendment.

Open Forum

Little Library. Fred said that he and Lore have offered to donate a Little Library to Malvern. These are little boxes shaped like a house on a pole set at reading height for children, or about 3 feet off the ground. Inside there are books that people can remove and take for free. Or you may insert a book in there. Fred said there are approximately 90,000 such installations around the country, in neighborhoods, at businesses, schools, and other organizations. They're everywhere. He showed a picture of one. Fred said he and Lore would be the keepers of the Little Library and would do the maintenance on it and monitor the books to ensure they are appropriate for young children. He said you could donate books for adults, too, but you must be careful that they would be appropriate for children to see. Fred said he considered placing the thing at the entrance area because it would get foot traffic. But that area is too busy and is not a good place to park while you look at books. He said they would place the Little Library next to the sidewalk leading to the Playground, if no one objected. The proposal was approved unanimously on a voice vote.

Election Results & 2020 Board Assignments

Directors were elected to fill four Board vacancies: Rick Collins, Steve Langone, Rodney Taylor, and Diana Wright. Each director received 46 votes. Each term will run 22 months, ending after the 2022 Annual Membership Meeting.

Meeting Adjourned at 11:20 a.m.

The next membership meeting is the Regular Membership Meeting, October 17, 2020, at the Clubhouse.

Special Board Meeting

Following the membership meeting, the Board met to elect officers and make committee assignments for 2020, as follows:

President:	Rodney Taylor
1 st VP & Secretary:	Fred Bourque
2 nd VP:	Grover Dean
Treasurer:	Diana Wright
Architecture:	Fred Bourque
Clubhouse:	Steve Langone
Pool:	Fred Bourque
Lake & Grounds:	Rick Collins
Roads:	Grover Dean
Social Events:	Diana Wright