

These minutes are a draft of the Board Meeting Minutes and will not become a part of the Association's formal records until they are approved by the Board at the next regular meeting. They are provided in advance of formal approval as a courtesy to the association membership.

MALA BOARD OF DIRECTORS MEETING MINUTES
December 12, 2006

President Don Szalkowski called the meeting to order at the Clarksville Library at 7 p.m.

Present: Mike Cottrell, Walter Cummings, Clinton Dalton, Marian Davis, James Glorius, Lee Hummel, Clarence Neese, Don Sinkiewicz, Don Szalkowski, Danny Thacker, Richard Wikle, Judy Williams, Larry Wood, and Bill Woodfin.

Excused: Richard Allen, Martha Day, Jerry Mabrey, and Billy Wells.

Absent: Jerry Billingsley, and Andy Ferguson.

Observers: Cathy Cottrell, Paul Lautermilch, Sharon Sinkiewicz and Margaret White.

Treasurer's Report: Copies of the Operating Statement for January through November, 2006 were distributed. Treasurer noted that the \$49,772.98 expense funds for road paving from 2005 (line item 716) should have been in the "Budget" column reflecting a total road expense of \$117,998.98. He also noted we are presently \$1,527 under budget projections for 2006, and that 22 liens have been filed for a total of \$2,526. Currently MALA property owners are \$12,577.92 in the arrears on 2006 annual assessments.

Treasurer listed several concerns he is addressing, i.e., database integrity, system complexity, systemic problems, lien administration, audit compromise and computer system capacity. He expressed the need for assistance in the areas of title searches and administrative liens and asked the Board to take this under consideration.

President's Report: For information purposes the President distributed copies of a letter from the Corps of Engineers regarding reanalysis of flood elevation around John H. Kerr Reservoir (Buggs Island Lake).

The President advised that a special MALA Executive Committee Meeting was held November 19, 2006 to discuss the 2007 edition of Merifield's telephone/e-mail directory which was delivered to him for distribution. The directory was reviewed and edited by several Board members who have access to name and address records resulting in the opinion that too many errors, etc. were evident to distribute as printed. After discussion by this Committee a unanimous decision was made to hold up delivery of the directories as presented and to report its finding to the Board at this meeting for consideration and direction.

After a lengthy discussion regarding the present and future publication of the directory, motion was made, seconded and passed without dissent to have the Directory reprinted with corrections made and mailed to all residents, full and part time.

Motion was also made to eliminate e-mail addresses. This motion was seconded and passed by a count of 8 for and 6 dissenting votes.

COMMITTEE REPORTS:

Architectural Committee: No Report

Appearance and Beautification Committee: No Report

Governance Committee: This Committee has developed a standard format for job descriptions of standing committees and functions, assigned liaisons with committees and functions and reviewed a draft Board of Directors' Notebook draft revised Table of Contents. The Committee will resume thorough review of the MALA Bylaws reconciling them with the current Virginia Property Owners' Act, the By-laws with the several Merifield Acres restrictive covenants, and the By-laws with current MALA practice. The Committee expects to have all recommendations finished in time for the Board to consider and act upon well before the next general annual meeting in September 2007.

Aviation Committee: Chair advised that some car has been doing "spins", etc. on the airfield causing ruts near where the hangar used to be. To deter this, F. J. Hale has requested "no trespassing" signs be posted in the area. Motion was made, seconded and passed without dissent for signs to be made up and installed at no cost to MALA.

Common Facilities Committee: Chair advised that since the last Board Meeting the Red Barn has been repaired and painted at a cost of \$486.55, approximately \$120 over budget, the privies were removed December 11, and the play-ground cleaning is 50% completed. Pending work is shoreline cleanup and removal of brush.

Some damage was done to the right side column at the entrance to Merifield on November 27, 2006 by an unknown driver forcing a car off the road exiting the subdivision. Repairs will be made in the near future.

Chair gave special recognition to the following for their efforts in refurbishing the barn at Oak Park, Privy removal and the play ground cleanup: Carol Dalton, Clinton Dalton, Danny Gallagher, Lee Lipscomb, Jerry Mabrey, Ralph Moore, Don Szalkowski, Dannie Thacker and Larry Wood.

Finance Committee: Chair advised that the value of the Association's reserve funds invested in Fidelity Mutual Funds totals \$79,212 as of November 30, 2006. This represents an increase of \$5,143 since the last report in October.

This Committee met with Jim Glorius who has a background in mutual fund investments and a familiarity with Fidelity Mutual Funds. The purpose of this meeting was to obtain Glorius' insights concerning MALA's investments. As a result of Jim's information, the Committee believes that it is in MALA's interests to restructure our mutual fund and money market investments.

We believe that our present investment in the Fidelity Contra Fund is prudent and should continue. We also believe that the Fidelity Puritan Fund is sound and should be retained and augmented by the investments we now have in the Fidelity Mid-Cap Fund that is basically a high risk stock fund. The Fidelity Growth Fund is also a relatively high risk stock fund, and those resources should be transferred into an Index Fund.

Implementing these recommendations will result in an investment portfolio that is relatively less risky and will provide a higher return. We also plan to deal directly with the fund managers rather than dealing through the Bank of America Investment Services, thereby avoiding the service charge imposed by the Bank of America. We have asked Jim to join us as a member of the MALA Finance Committee and he has agreed.

Jim is available to address these issues and answer any questions the Board may have. After discussion, the Committee asks the Board's concurrence with these recommendations.

Motion was made, seconded and passed without dissent to table this matter until further thought and research can be done with a decision forthcoming at the next Board Meeting.

As we approach the end of the Association's fiscal year, the President is reminded of the requirements for an end of year audit by an independent audit board appointed by the President. (MALA by-laws Art. II, Paragraph 5). Chair also recommended that, with a new Treasurer team in place and the necessity to get the 2007 invoices out, the required audit be delayed until February or March, 2007.

Motion was made, seconded and passed without dissent to table the discussion on the audit and bonding until the next Board Meeting allowing the Treasurer time for further research on these issues.

Political and Environment Committee: Chair reiterated the need to review the information in the letter presented by the President from the Corps of Engineers.

Roads and Maintenance Committee: Chair reported that most of the culvert pipes have been modified to reduce the plugged culverts due to heavy trucks mashing the ends. Silt and debris was cleaned from inlet and discharges to help the water flow and the "winter switch" has been made from cutting grass to blowing leaves. Removal of dead trees in the cul-de-sacs is also in process.

Chair reminded the Board that MALA is required to remove a lot of trees, most of which are dead, from the roadways and power lines. Property owners should also have dead trees located near the roads and power lines removed.

A motion was made, seconded and passed without dissent for letters to be sent to property owners requesting removal of trees that are in danger of falling on roadways or power lines. The Architectural Committee will be asked to send letters when requested to do so, by the Chair of Common Facilities or Roads and Maintenance

Newsletter Editor: Chair expressed appreciation to Brenda Anderson, Carolyn Billingsley, Skip Davis, Genny Glorius, Paul Lautermilch, Don and Sharon Sinkiewicz, and Dewitt VanArsdale for their contributions and assistance in getting the Merifield Acres Newsletter, Vol. XII, No. 2 out the week of October 16. Vol. XIII, No. 1 will be issued in the late spring of 2007. Information to be included in this newsletter should be submitted to Martha Day prior to March 1, 2007.

Security: Chair reported only one incident this period which involved a resident burning leaves in his yard. Chair visited the house and advised the resident the fire would have to be extinguished and he agreed to cease the burning.

School and Youth: Due to an emergency, Richard Allen was unable to attend the Board Meeting; He reported, however, that with the help of Nancy Dahl and Jill Allen the Halloween party a great success with approximately 80 people attending. Todd Pallila once again provided hayrides for all, making stops at nine homes along the way.

Welcome Committee: Chair advised that a budding Christmas cactus was delivered to one new fulltime family already welcomed and soon two others, already welcomed will be given some outdoor perennials. Chair advised that it would assist her greatly if neighbors of new residents, part and full time, would welcome and offer assistance to new residents as well as advising Chair of new arrivals to the community.

Deer Control: No Report

E-Mail Manager: No Report

Web Master: No Report

There being no further business the meeting was adjourned at 9:20 p.m.

The next meeting of the Board will be held on February 13, 2007.

Respectfully submitted,

Marian (Skip) Davis, Secretary