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MALA BOARD OF DIRECTORS MEETING MINUTES

February 13, 2007

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

Present: Richard Allen, Mike Cottrell, Walter Cummings, Marian Davis, Martha Day, James Glorius, Lee Hummell, Don Sinkiewicz, Don Szalkowski, Danny Thacker, Billy Wells, Judy Williams and Larry Wood.

Excused: Jerry Billingsley, Clinton Dalton, Clarence Neese, Richard Wilke and Bill Woodfin..

Absent: Jerry Mabrey and Andy Ferguson.

Observers: Francis Hale and Paul Lautermilch

The minutes of the December 12, 2006 Board Meeting, having been distributed to the Board and posted on the Association web site, were approved as written.

Treasurer's Report: Copies of the Operating Statement for January, 2007 were distributed. Treasurer briefly discussed the discrepancies in Items 719 and 739 of the 2006 Operating Statement, the year end comparisons in the balances of the checkbook, Money Market Fund and Mutual Funds. He also advised that he has acquired a copy of the current Bonding Insurance Policy from State Farm Insurance Company and that it reflects that an audit is NOT required. He noted that assessment receipts totals \$31,591 as of this date which is 91.6% of the budget estimate for the period.

Treasurer advised that the database integrity remains a significant concern noting that to date approximately 35 unknown property transfers have been discovered, 5 "invalid properties" which do not exist as separate deeded properties have been found and deactivated; some properties are known missing from the data base and a full audit of 720 known deeded properties is pending.

Regarding the split Treasurer functions, Jim Glorius is assuming lien administration: audit and renewals, filings and releases.

Treasurer advised the Board that he will be vacating the position of Treasurer as of the September, 2007 annual meeting and suggested members begin thinking about his replacement.

President's Report: President advised that Francis Hale has been appointed the new Aviation Committee Chairperson. President accepted Paul Lautermilch's withdrawal as Web Master. He will be replaced by Don Sinkiewicz.

President read a letter received from Dr. Richard Allen advising that he will be unable to continue to serve in his position on the Board of Directors after the September General Membership Meeting.

COMMITTEE REPORTS:

Architectural Committee: No Report

Appearance and Beautification Committee: No Report

Association Governance Committee: Chair reported that they have reviewed progress on maps, matrices of covenants and architectural restrictions and job descriptions for committees and officers for the Director's Notebook and Disclosure/Information Packet.

Preliminary discussion of the Virginia Property Owners' Association Act was held. The focus was on possible opportunities for MALA as well as requirements that we may need to tighten up on. This was followed by a review of MALA By-Laws that focused on areas where the By-Laws were in need of updating to reflect current practices or needs.

Aviation Committee: No Report

Common Facilities Committee: Chair reported several incidents have occurred in the last couple months. One brick column at the entrance was struck by a vehicle on January 28, 2007 causing extensive damage and will have to be replaced or reconstructed. Response from the Insurance Company is pending. Corps of Engineers has given MALA permission to replace the damaged column and to relocate both columns if desired with the stipulation they do not increase in size. Also the Corps advised the columns, the entrance right of way and the two flood areas on Merifield Drive will be changed to a Real Estate Permit as opposed to a Shore Line Permit.

Vandals damaged and removed a twelve foot section of the cedar fence at the entrance to Oak Park sometime between January 28 and February 5, 2007 to gain entry to the park, apparently to drink beer and cut donuts in the gravel parking lot. During this same time frame, vandals drove onto the MALA air strip causing minor damage to the sod.

Other incidents include spray painting of Lakepoint Drive and Walnut Drive with red paint and spoon symbol and the word "Durag" on top of the symbol, painting of speed limit signs on Lakepoint Drive from 30 mph to 80 mph, a fire was set on Merifield Drive on February 9 at approximately 11:50 p.m. and quart size beer bottles were broken and thrown on the side of Lakepoint and Lewis Road on February 10 and 11.

These incidents were reported to the Sheriff's Department.

Mr. Hale is currently looking into the placement of three signs at the airstrip and one sign near the entrance of MALA prohibiting vehicular traffic on the airstrip.

Chair noted that pending items include burning brush and drift wood at Oak Park and replacing boat dock billets when weather and water level permits.

FINANCE COMMITTEE: Chair advised that the value of the Association's reserve funds invested in Fidelity Mutual Funds totals \$81,174 as of 31 January 2007. This represents an increase of \$1,962 since the last report in December, 2006.

The Finance Committee notes that the FY 2007 MALA Budget, approved by the membership at the annual meeting in September, anticipated the receipt of \$6,500 from voluntary contributions, a figure in line with the Association's experience in previous years. Previously a letter requesting voluntary contributions accompanied the annual assessment invoices. This year the invoices were mailed without the letter asking for these voluntary contributions. The Finance Committee is concerned about such a letter request, the Association is facing a budget deficit that would be as much as \$6,500.

(In discussion regarding the request for voluntary contributions, it was agreed that such a request will be incorporated into the March Newsletter – separate and on colored paper.)

As reported at the December 2006 Board meeting, the Finance Committee is of the opinion that our present investment in the Fidelity Contra Fund is prudent and should continue. Committee also believes that the Fidelity balanced 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 the Fidelity US Equity Index Fund. In summary, with these changes implemented, MALA's reserve funds will be invested in the:

- a. Fidelity Contra Fund
- b. Fidelity Balanced Puritan Fund
- c. Fidelity US Equity Index Fund

This will result in an investment portfolio that is relatively less risky and which will provide a higher return.

A motion was made, seconded and passed without dissent to implement these changes in the reserve funds.

Political and Environmental Committee: Chair requested notification be given to residents when control burns are going to be made, if possible. Chair also recommended that residents be reminded of the rules and hours for outdoor burning.

Roads and Maintenance Committee: Chair reported that road work is quiet at this time because of the weather. Lanco Paving Company has been contacted in preparation for the spring paving projects.

Newsletter Editor: Chair advised that the Merifield Acres Newsletter, Vol. XIII, No. 1, will be issued towards the end of March. The second page will include a map of Merifield Acres with legible street names and on the back will be the names and telephone numbers of the current Architectural Committee, MALA Officers and Standing Committee Chairs. Also included will be a letter requesting voluntary contributions.

Security: Chair reported that complaints received since the last meeting consisted of loose dogs, speeders and vandalism with paint on the signs and the road.

School and Youth: Chair noted that the Easter Egg Hunt and Party will be held the Saturday before Easter Sunday starting at 12 noon. He solicited volunteers noting attendees should bring side dishes and desserts, etc.

Welcoming Committee Report: Chair noted that outdoor plants had been given to Leroy and Mary Moore, long time vacationers on the point in lower Cedar Lane who recently retired and have moved to Merifield Acres full time. Chair also noted that the committee completed a walking circuit of Merifield's 12.5 miles of roads looking for new full-time residents. Houses of potential new full time residents, however, appeared to be yet un-lived in.

Deer Control: No Report

E-Mail Manager: Chair distributed and requested consideration of a sample e-mail bulletin board which he created and feels would be of assistance in communication between board members. He explained the procedures and noted he would be available for any questions.

Web Master: No Report

NEW BUSINESS:

Draft of By-Laws Revision: The new draft of Merifield Acres Landowners' Association By-Laws was distributed by the Association Governance Committee and discussion and/or comments on Article I were solicited from the floor noting that Articles II, III and IV will be reviewed at the next Board Meeting.

It was noted that an explanation for each change will be needed when presented to the general membership. Also it was suggested that the general membership meeting be changed to the third Sunday in September. After discussion on this note, it was decided to leave the date open at this time.

There being no further business the meeting was adjourned at 8:45 p.m.

The next meeting of the Board will be held on April 10, 2007.

Respectfully submitted,

Marian (Skip) Davis, Secretary