

**APPLE MOUNTAIN LAKE SOUTH
PROPERTY OWNER'S ASSOCIATION**

**ANNUAL MEMBERSHIP MEETING
SEPTEMBER 14, 2014 AT 3:00PM
LINDEN UNITED METHODIST CHURCH**

**PLEASE NOTE THAT ONLY ACTIVE MEMBERS
ARE ELIGIBLE TO VOTE OR PARTICIPATE IN MEETINGS**

PROXY VOTE

Date: _____

I hereby give my proxy vote to:

_____ Lot No: _____

My proxy vote is to be cast only on issues that are presented at the Membership Meeting of the Apple Mountain Lake South Property Owner's Association to be held on Sunday, September 14, 2014 at 3:00pm. **THIS PROXY SUPERSEDES ANY OTHER PROXY FOR THE CURRENT YEAR OF 2013/2014** Further, I have read the agenda items to be discussed at the Membership Meeting on September 14, 2014 and wish to vote accordingly on each agenda item below. Otherwise, the lot owner named above is directed to vote on my behalf.

Lot No. _____ Signature: _____

Printed Name: _____

Note: Fifteen percent (15%) of the Active member votes of the Association present in person or represented by written proxy shall constitute a quorum. If there is no such quorum, a majority of the members present shall reconvene the next meeting at 3:15pm on Sunday, September 14, 2014.

If you can not attend the Member Meeting on September 14, 2014 please sign and vote accordingly for each agenda item below and return your signed proxy to the AMLSPOA: P.O. Box 171, Linden, VA 22642 or give to any Lot Owner you wish to Vote on your behalf.

CAST VOTE FOR THESE AGENDA ITEMS:

Agenda Item	YES	NO
Approval of the 2014/2015 Annual Budget Option 1	<input type="checkbox"/>	<input type="checkbox"/>
Approval of the 2014/2015 Annual Budget Option 2	<input type="checkbox"/>	<input type="checkbox"/>
Approval of the 2014/2015 Annual Budget Option 3	<input type="checkbox"/>	<input type="checkbox"/>
<p style="text-align: center;">COVENANTS:</p> <p style="text-align: center;">SECTION VI PROPERTY ASSOCIATION FEES</p> <p>A. As of 2014 the annual dues assessed shall be (Contingent on which budget is voted in) per annum per lot. EXCEPT THAT, in the case of lots 52, 53/54 (to be assessed as one lot due to consolidation), 55, 56, 57, 58, and 59, the annual dues shall be (Contingent on which budget is voted in) and not the amount set forth above for the other lots in the subdivision; PROVIDED FURTHER, that One Hundred Thirty-Two Dollars of said annual dues shall be placed into the Property Owner’s Association general fund for use by the Property Owner’s Association, and Fifty Dollars of said annual dues shall be placed into an interest-bearing escrow fund to be used jointly by said lot owners for the maintenance of CCC Road, and for that purpose only; and PROVIDED FURTHER, that in the case of a irreconcilable dispute between the owners of said lots as to the use of the contents of said escrow account (irreconcilable dispute being defined herein as there being no majority vote among the owners of said lots, with each lot having one vote, as to the use of said funds), the Property Owner’s Association shall have the tie-breaking vote as to the use of said funds.</p> <p>This amendment of the by-laws of the Property Owner’s Association shall take effect upon the date of the next assessment of annual dues, after approval of this amendment by the Board of Directors of the Property Owner’s Association, and no rebate or refund of previously assessed annual dues or assessments shall be made.</p>	<input type="checkbox"/>	<input type="checkbox"/>

<p style="text-align: center;">BYLAWS:</p> <p style="text-align: center;">ARTICLE V</p> <p style="text-align: center;">SECTION 1: ANNUAL CHARGES</p> <p>1. As of 2014 the annual dues assessed shall be (Contingent on which budget is voted in) per annum per lot. EXCEPT THAT, in the case of lots 52, 53/54 (to be assessed as one lot due to consolidation), 55, 56, 57, 58, and 59, the annual dues shall be (Contingent on which budget is voted in) per annum per lot, and not the amount set forth above for the other lots in the subdivision; PROVIDED FURTHER, that One Hundred Thirty-Two Dollars of said annual dues shall be placed into the Property Owner's Association general fund for use by the Property Owner's Association, and Fifty Dollars of said annual dues shall be placed into an interest-bearing escrow fund to be used jointly by said lot owners for the maintenance of CCC Road, and for that purpose only; and PROVIDED FURTHER, that in the case of a irreconcilable dispute between the owners of said lots as to the use of the contents of said escrow account (irreconcilable dispute being defined herein as there being no majority vote among the owners of said lots, with each lot having one vote, as to the use of said funds) , the Property Owners' Association shall have the tie-breaking vote as to the use of said funds.</p> <p>This amendment of the by-laws of the Property Owner's Association shall take effect upon the date of the next assessment of annual dues, after approval of this amendment by the Board of Directors of the Property Owner's Association, and no rebate or refund of previously assessed annual dues or assessments shall be made.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p style="text-align: center;">COVENANTS:</p> <p style="text-align: center;">SECTION X</p> <p style="text-align: center;">SAFETY AND SECURITY</p> <p>G. For the Safety and Security of our community, a street light shall be installed and maintained by the Association at each entrance to our community.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p style="text-align: center;">COVENANTS:</p> <p style="text-align: center;">SECTION VII</p> <p style="text-align: center;">DWELLINGS AND MAINTENANCE OF LOTS</p> <p>J. Warren County Code 180-8, incorporated herein, (with reference to Mobile Homes) will apply to our Development. Current mobile homes will be allowed to stay until sale of property or probate of said property at which time Section VII, I should apply. (This change is to correct the referenced Section VII from J to I of the Covenants.)</p>	<input type="checkbox"/>	<input type="checkbox"/>

OUR BUDGET & PROPOSED ROAD FEE INCREASE

In addition to fulfilling our charter, the current Apple Mountain Lake Property Owner's Association Board has the following simple goals. Some of these are based on discussions at past annual meetings.

1. Maintain community roads to resident's standards while acknowledging the rising costs associated with this task.
2. To widen community roads to allow two cars to safely pass each other.
3. To grow our Cash Reserves as required by the Virginia State Property Owner's Association laws.

Our current challenges include the following:

1. Costs have increased. Just like the grocery store and the gas station, the price for materials such as gravel and stone, equipment rental, labor have all increased.
2. The weather. The past few years have brought some interesting weather including ice, snow, torrential downpours. All of this wrecks havoc on our roads requiring repair and maintenance.
3. The AMLSPOA is currently noncompliant with Virginia state law regarding our cash reserves. The law requires 1.5 times our annual revenue. Our annual revenue is \$22,399 (Road Fees + CCC Road Fees). We should have \$33,598.50 in reserve for any spending overages. We currently have \$20,024.08 in reserve. We are short by \$13,576.

This year, we had a hard winter with lots of snow and ice. As a result we went over our snow removal and road maintenance budget and pulled money from our Reserve Fund to meet the shortfall. We also cut expenses where possible such as cancelling our usual dust deterrent application in May.

In order to meet the needs of our community we must raise our annual Road Fees. Our last increase in Road Fees was in 2011 from \$300 to \$325, an 8.33% increase.

As board members, we are responsible for maintaining the community. As residents, we already see our personal bills increase and do not look forward to our POA Road Fees increasing too. However, after much debate among board members, we have come up with three options for the membership to review. *Discussion and voting on the increase will take place at the annual meeting on September 14, 2014 at 3pm at Linden Methodist Church. If you cannot attend, please submit a proxy to make your vote count.*

Option One:

A 15.5% increase for all property owners. A one-time \$50 increase of Road Fees from \$325 to \$375 per year. CCC Road residents would see an increase in Admin Fees from \$132 to \$152.

A total of \$3,390 more in revenue each year. It will take 4 years to properly finance our Reserve Fund.

Option Two:

A 7.8% increase for all property owners. A one-time \$25 increase of Road Fees from \$325 to \$350 per year. CCC Road property owners would see an increase in Admin Fees from \$132 to \$142.

Plus, a one-time Special Assessment of \$100 for CCC Road lots and \$200 for all other property owners.

A total of \$13,700 in Special Assessment revenue would go directly to our Reserve Fund.

Option Three:

A \$25 increase of Road Fees each year for the next 3 years.

2015 \$350 (7.8% increase)

2016 \$375 (7.2% increase)

2017 \$400 (6.7% increase)

CCC Road residents would see an increase in Admin Fees to

2015 \$142 (7.8% increase)

2016 \$152 (7.2% increase)

2017 \$162 (6.7% increase)

This will provide the POA a total of \$5,085 in revenue over 3 years. It will take an additional 1.7 years (2019) to properly finance our Reserve Fund.

Option 1 Proposed Budget for 2014/2015

APPLE MOUNTAIN LAKE SOUTH PROPERTY OWNER'S ASSOCIATION

REVENUE

2015 Road Fees	65 Lots @ 375.00	\$24,375.00
CCC Road Escrow Fees	7 Lots @ 50.00	\$ 350.00
CCC Road Admin Fees	7 Lots @ 152.00	\$ 1,064.00
Past Year Road Fees		\$ 1,000.00
ATV Registration Fees		\$ 100.00
Late Fees		\$ 100.00
Disclosure Packets		\$ 100.00
Lien Release Fee		\$ 62.00
Bank Interest – Savings		\$ 100.00
Bank Interest – CD's		\$ 100.00
TOTAL REVENUE		\$27,351.00

ROAD MAINTENANCE EXPENDITURES

Snow Removal		\$ 8,000.00
Road Maintenance		\$13,500.00
TOTAL ROAD MAINTENANCE EXPENDITURES		\$21,500.00

ADMINISTRATIVE EXPENDITURES

Accounting/Review Fees		\$ 1,500.00
Attorney Fee's		\$ 6,000.00
Community Day		\$ 600.00
License/Filing Fees/Court Fees		\$ 200.00
Insurance – Property/Crime/Fraud		\$ 850.00
Meeting Place Rental Fee		\$ 100.00
Printing/Copying		\$ 100.00
Postage		\$ 400.00
Bank Charges		\$ 20.00
Office Supplies – Ink, Paper, Envelopes		\$ 650.00
Taxes		\$ 0.00
Quicken On-Line Registration		\$ 225.00
Tracfone Subscription		\$ 145.00
Post Office Box Rental		\$ 50.00
Website		<u>\$ 80.00</u>
TOTAL ADMINISTRATIVE EXPENDITURES		\$ 10,920.00

TOTAL EXPENDITURES \$ 32,420.00

PROJECTED NET SHORTFALL \$ - 5,069.00

(Please remember that with the collection efforts of our attorney in past years the annual shortfall has been reduced.)

CHECKING ACCOUNT BALANCE \$12,824.84

RESERVE BALANCES AS OF 6/30/14

CD Balance	\$ 7,000.00
CD Balance	\$ 7,000.00
Savings Account Balance	<u>\$ 6,024.08</u>

FUNDS REMAINING IN RESERVE \$20,024.08

Option 1

A one-time \$50 increase of Road Fees from \$325 to \$375 per year. CCC Road residents would see an increase in Admin Fees from \$132 to \$152.

A total of \$3,390 more in revenue each year. It will take 4 years to properly finance our Reserve Fund.

Our Reserve Fund should have approximately \$33,600 or 1.5 times our Road Fees revenue. We are short by \$13,576.

Option 2 Proposed Budget for 2014/2015

APPLE MOUNTAIN LAKE SOUTH PROPERTY OWNER'S ASSOCIATION

REVENUE

2015 Road Fees	65 Lots @ 350.00	\$22,750.00
CCC Road Escrow Fees	7 Lots @ 50.00	\$ 350.00
CCC Road Admin Fees	7 Lots @ 142.00	\$ 994.00
Past Year Road Fees		\$ 1,000.00
ATV Registration Fees		\$ 100.00
Late Fees		\$ 100.00
Disclosure Packets		\$ 100.00
Lien Release Fee		\$ 62.00
Bank Interest – Savings		\$ 100.00
Bank Interest – CD's		\$ 100.00
Special Assessment – 65 Lots @ 200.00		\$13,000.00
Special Assessment – 7 Lots @ 100.00		\$ 700.00
TOTAL REVENUE		\$39,356.00

ROAD MAINTENANCE EXPENDITURES

Snow Removal	\$ 8,000.00
Road Maintenance	\$13,500.00
TOTAL ROAD MAINTENANCE EXPENDITURES	\$21,500.00

ADMINISTRATIVE EXPENDITURES

Accounting/Review Fees	\$ 1,500.00
Attorney Fee's	\$ 6,000.00
Community Day	\$ 600.00
License/Filing Fees/Court Fees	\$ 200.00
Insurance – Property/Crime/Fraud	\$ 850.00
Meeting Place Rental Fee	\$ 100.00
Printing/Copying	\$ 100.00
Postage	\$ 400.00
Bank Charges	\$ 20.00
Office Supplies – Ink, Paper, Envelopes	\$ 650.00
Taxes	\$ 0.00
Quicken On-Line Registration	\$ 225.00
Tracfone Subscription	\$ 145.00
Post Office Box Rental	\$ 50.00
Website	\$ 80.00
TOTAL ADMINISTRATIVE EXPENDITURES	\$10,920.00

TOTAL EXPENDITURES \$ 32,420.00

PROJECTED PROFIT (To be moved to reserves) \$ 6,936.00

CHECKING ACCOUNT BALANCE AS OF 6/30/14 \$12,824.84

RESERVE BALANCES AS OF 6/30/14

CD Balance	\$ 7,000.00
CD Balance	\$ 7,000.00
Savings Account Balance	<u>\$ 6,024.08</u>
FUNDS REMAINING IN RESERVE	<u>\$20,024.08</u>

Option 2

A one-time \$25 increase of Road Fees from \$325 to \$350 per year.

CCC Road property owners would see an increase in Admin Fees from \$132 to \$142.

A one-time Special Assessment of \$100 for CCC Road lots and \$200 for all other property owners.

A total of \$13,700 in Special Assessment revenue would go directly to our Reserve Fund.

Our Reserve Fund should have approximately \$33,600 or 1.5 times our Road Fees revenue. We are short by \$13,576.

Option 3 Proposed Budget for 2014/2015

APPLE MOUNTAIN LAKE SOUTH PROPERTY OWNER'S ASSOCIATION

REVENUE

2015 Road Fees 65 Lots @ 350.00	\$22,750.00
(Increased \$25 a year for the next three years)	
CCC Road Escrow Fees 7 Lots @ 50.00	\$ 350.00
CCC Road Admin Fees 7 Lots @142.00	\$ 994.00
Past Year Road Fees	\$ 1,000.00
ATV Registration Fees	\$ 100.00
Late Fees	\$ 100.00
Disclosure Packets	\$ 100.00
Lien Release Fee	\$ 62.00
Bank Interest – Savings	\$ 100.00
Bank Interest – CD's	<u>\$ 100.00</u>
TOTAL REVENUE	\$25,656.00

ROAD MAINTENANCE EXPENDITURES

Snow Removal	\$ 8,000.00
Road Maintenance	<u>\$13,500.00</u>
TOTAL ROAD MAINTENANCE EXPENDITURES	\$21,500.00

ADMINISTRATIVE EXPENDITURES

Accounting/Review Fees	\$ 1,500.00
Attorney Fee's	\$ 6,000.00
Community Day	\$ 600.00
License/Filing Fees/Court Fees	\$ 200.00
Insurance – Property/Crime/Fraud	\$ 850.00
Meeting Place Rental Fee	\$ 100.00
Printing/Copying	\$ 100.00
Postage	\$ 400.00
Bank Charges	\$ 20.00
Office Supplies – Ink, Paper, Envelopes	\$ 650.00
Taxes	\$ 0.00
Quicken On-Line Registration	\$ 225.00
Tracfone Subscription	\$ 145.00
Post Office Box Rental	\$ 50.00
Website	\$ 80.00
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 10,920.00</u>
TOTAL EXPENDITURES	\$ 32,420.00

PROJECTED SHORTFALL

– \$6,764.00

(Please remember that with the collection efforts of our attorney in past years the annual shortfall has been reduced.)

CHECKING ACCOUNT BALANCE AS OF 6/30/14

\$12,824.84

RESERVE BALANCES AS OF 6/30/14

CD Balance	\$ 7,000.00
CD Balance	\$ 7,000.00
Savings Account Balance	\$ 6,024.08
FUNDS REMAINING IN RESERVE	<u>\$20,024.08</u>

Option 3

A \$25 increase of Road Fees each year for the next 3 years.

2015 \$350
2016 \$375
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CCC Road residents would see an increase in Admin Fees from \$132 to

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A total of \$5,085 more in revenue over 3 years. It will take an additional 1.7 years (2019) to properly finance our Reserve Fund.

Our Reserve Fund should have approximately \$33,600 or 1.5 times our Road Fees revenue. We are short by \$13,576.