

Mills Choice Condominium  
t/a  
Heron's Cove Condominium

# Book of Resolutions

Recorded in Circuit Court of Maryland  
50 Maryland Avenue, Rockville, MD 20850  
CASE NUMBER 736X

Circuit Court for  
MONTGOMERY COUNTY  
Clerk of the Court.  
BARBARA H. HEIKLETON  
50 MARYLAND AVENUE  
ROCKVILLE, Md 20850-2393  
(301) 717-9400

Transaction Block: 1155  
Case Number: 736 X  
COINDEMNERS                      AMOUNT  
HOME OWNER                      50.00  
SUBTOTAL:                              50.00  
TOTAL CHARGES:                      50.00  
PAYMENTS  
CHECK                                      50.00  
TOTAL TENDERED:                      50.00

Caspiert: HR Req # H002  
Receipt # 69556  
Date: Dec 30, 2015 Time: 08:39 am

**HERON'S COVE CONDOMINIUM  
ADMINISTRATIVE RESOLUTION ON ENFORCEMENT OF ORDERLY  
AND COURTEOUS USE OF PARKING FACILITIES  
PARKING OF COMMERCIAL VEHICLES (revised)**

**WHEREAS**, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration and operation of the Condominium as provided for under the Maryland Condominium Act.

**WHEREAS**, Article III, Section 2(A) of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the care, upkeep, and maintenance of the Common Elements.

**WHEREAS**, Article III, Section 2(l) of the Bylaws states that the Board of Directors shall have the power to enact uniform rules and regulations from time to time for the use of the property, as well as the conduct and the enjoyment of the unit owners.

**WHEREAS**, Article III, Section 2(K) of the Bylaws states the Board of Directors shall control the use of all common elements, including, but not limited to, designated parking spaces thereon for use by unit owners and/or their guests.

**WHEREAS**, Article V, Section 14 (l) of the Bylaws of Heron's Cove Condominium states that no trucks, trailer, campers, camp trucks, house trailers, boat trailers, boats, or the like shall be kept upon any of the Common Elements or within any Parking Unit; provided, however, that the Board of Directors reserves the right to permit such vehicles on the Common Elements in accordance with rules and regulations as may, from time to time, be promulgated by the Board of Directors.

**WHEREAS**, Article III, Section 2(i) authorizes the Board to enact "uniform Rules and Regulations from time to time for the use of the Property".

**WHEREAS**, the Board of Directors adopted Administrative Resolution on Enforcement of Orderly and Courteous Use of Parking Facilities on June 24, 1999, which provides for assignment of parking spaces for the exclusive use of residents and a uniform assignment of spaces to allow for a maximum of one space for each of the 406 units.

**WHEREAS**, The Board of Directors adopted Policy Resolution Parking of Commercial Vehicles on November 30, 1995 to set forth policy designating the areas to be used for parking commercial vehicles on the property.

**WHEREAS**, The Board of Directors modified the language of the Administrative Resolution on Enforcement of Orderly and Courteous Use of Parking Facilities adopted June 24, 1999 to clarify the administration of designated parking and parking permits, to provide that spaces may be assigned based on the number of permits issued to owners by the Association Office, and to provide that the maximum number of permit spaces shall be limited to 406 permit spaces and to restrict the parking of commercial vehicles within the community on May 22, 2014.

**WHEREAS**, Administrative Resolution on Enforcement of Orderly and Courteous Use of Parking Facilities revised on May 22, 2014 paragraph (3) states: Commercial vehicles shall not be parked in designated parking spaces as defined in (1) and (2) above. Commercial vehicles shall include mini vans, cargo vans, or pickup trucks used for commercial purposes, step vans, moving and delivery vans, tractor trailer cabs, taxi cabs, tow trucks, vehicles carrying buckets and ladders, any vehicle with a commercial decal, or any vehicle outlined in county or state laws as a commercial vehicle. An exception is made for vehicles involved in unit move in and move out activities between the hours of 9:00 AM and 7:00 PM all days. Parking of commercial vehicles shall be limited to mini vans, small cargo vans (no ladder racks), standard pick-up trucks that do not have ladder racks or other commercial equipment and taxi cabs or passenger vehicles with a commercial decal. Parking of commercial vehicles shall be limited to areas designated by the Board of Directors or the Community Manager. Designated commercial areas may be changed or the Board may vote at an open meeting to prohibit commercial vehicle parking at the discretion of the Board of Directors or the Community Manager. Changes to designated areas for commercial parking or prohibition of commercial parking shall require 30 days notice to all residents. Commercial vehicles parked in violation of this resolution shall be subject to towing without notice. This resolution shall supersede the previous Resolution Parking of Commercial Vehicles adopted November 30, 1995.

WHEREAS, the Board desires to prohibit commercial vehicle parking as stated in Article V, Section 14 (I) of the Bylaws of Heron's Cove Condominium which states that no trucks, trailer, campers, camp trucks, house trailers, boat trailers, boats, or the like shall be kept upon any of the Common Elements or within any Parking Unit. . Commercial vehicles shall include mini vans, cargo vans, or pickup trucks used for commercial purposes (ladder racks, bed rails and/or racks, bed tool boxes), step vans, moving and delivery vans, tractor trailer cabs, taxi cabs, tow trucks, vehicles carrying buckets and ladders (ski racks, luggage racks bike racks exempt), any vehicle with a commercial decal, or any vehicle outlined in county or state laws as a commercial vehicle. An exception is made for vehicles involved in unit move in and move out activities between the hours of 9:00 AM and 7:00 PM all days.

**NOW, THEREFORE** be it resolved that the Board of Directors hereby establishes the following policies to reiterate, formalize, and enforce standing Heron's Cove parking policies.

1. Effective December 31, 2015 the parking of Commercial Vehicles shall be prohibited except as outlined below.
2. Commercial vehicles shall include mini vans, cargo vans, or pickup trucks used for commercial purposes (ladder racks, bed rails and/or racks, bed tool boxes), step vans, moving and delivery vans, tractor trailer cabs, taxi cabs, tow trucks, vehicles carrying buckets and ladders (ski racks, luggage racks bike racks exempt), any vehicle with a commercial decal, or any vehicle outlined in county or state laws as a commercial vehicle. An exception is made for vehicles involved in unit move in and move out activities between the hours of 9:00 AM and 7:00 PM all days.
3. Commercial vehicles shall be towed without notice in compliance with posted parking/towing signs installed throughout the community effective January 1, 2016.

Attest: Mary Jo Hennehan  
Secretary  
Oct 22, 2015  
Date Approved At Open Meeting

*This resolution was adopted under the provisions of the Maryland Condominium Act, Section 11-111.*

VOTE:

<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<u>Paula Wolff</u>	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<u>J. H. Smith</u>
		Director			Director
<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<u>Mary Jo Hennehan</u>	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<u>Stevanue</u>
		Director			Director
<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<u>Angie Ridgell</u>			
		Director			

**HERON'S COVE CONDOMINIUM**  
**ADMINISTRATIVE RESOLUTION ON**  
**POLICIES AND GUIDELINES FOR WINDOW COVERINGS**  
**Revised April 16, 2015**

**WHEREAS**, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration and operation of the Condominium as provided for under the Maryland Condominium Act.

**WHEREAS**, Article III, Section 2(i) of the Bylaws authorizes the Board of Directors to enact uniform rules and regulations for the use of the property, as well as the conduct and enjoyment of the Unit Owners.

**WHEREAS**, it is the desire of the Board of Directors to enact reasonable and responsible policies in order to maintain property values and to preserve the aesthetic appearance of the property.

**NOW THEREFORE** be it resolved that the Board of Directors hereby establishes the following policies regarding coverings on unit windows.

**1. PRIMARY WINDOW COVERINGS:** All unit windows shall be equipped with a white or off-white opaque primary window covering. A primary window covering is defined as the window covering visible from the outside view of the unit. These can include vertical blinds, horizontal blinds or drapes lined with a white or off-white lining. *Shutters shall be permitted provided they are white or off white and all shutters are uniform within the unit.* All primary window coverings shall be of a size to completely cover the window dimensions, be in good repair and shall not be obstructed by furniture of any other item. Drapes in sunroom and patio windows shall be hemmed to an appropriate length that does not drag on the floor.

\* Sheer draperies, due to their transparent nature, are not opaque and therefore shall not be permitted as primary window coverings.

\* Permitted primary window coverings *shall not include* bed sheets, bed covers, shower curtains or any other covering not specifically designed primarily as a window covering.

**2. SECONDARY WINDOW COVERINGS:** Secondary window coverings, such as sheers, curtains and/or colored drapes may be used within the unit in addition to the white or off-white opaque primary window coverings. These secondary window coverings shall be hung within the unit in such a manner that the opaque primary window covering is visible from the outside view of the unit.

\* Permitted secondary window coverings *shall not include* bed sheets, bed covers, shower curtains or any other covering not specifically designed primarily as a window covering.

**3. WINDOW DECORATIONS / ITEMS ADHERED TO WINDOWS:** Commonly recognized holiday and/or national event decorations (including lights *which must not be left on all night*) may be displayed in the windows and/or temporarily adhered to the window glass. Such decorations shall not be put up more than two (2) weeks in advance of the holiday. December holiday decorations shall be permitted up to five (5) weeks in advance of the date of the holiday. **All such decorations and any materials used to adhere items to the window glass shall be removed from the windows within two weeks after the date (or end date) of the holiday or national event.**

\* Other than decorations defined above, no items (except those permitted below) shall be adhered, taped or in anyway affixed directly to the window glass or surrounding window area that is visible from the outside of the unit when the primary window coverings are closed.

\* Permitted items that may be permanently adhered to window glass are decals from a security company in units where a resident currently subscribes to that security service. Limit one per window.

Date: 4/14/15

Yes       No

Yes       No

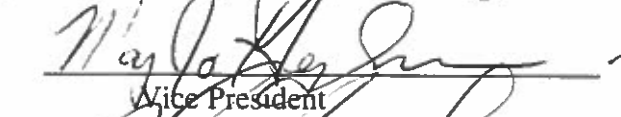
Yes       No

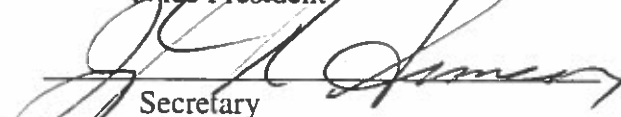
Yes       No

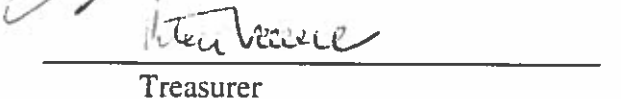
Yes       No

Yes       No

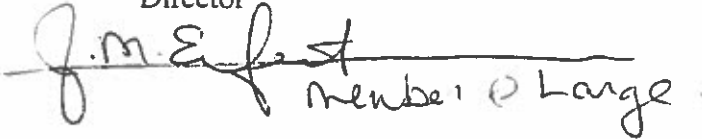
  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Vice President

  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
Treasurer

\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Member at Large

Adopted at an open Board Meeting on \_\_\_\_\_

**HERON'S COVE CONDOMINIUM  
ADMINISTRATIVE RESOLUTION ON  
MODIFIED ACCRUAL ACCOUNTING**

**December 4, 2014**

**WHEREAS**, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration and operation of the Condominium as provided for under the Maryland Condominium Act.

**WHEREAS**, the fiduciary responsibility of the Board of Directors imposes an obligation on the Board of Directors to not allow assets to deteriorate or unduly be exposed to abuse.

**WHEREAS**, it is desired by the Board of Directors, its advisors, and the Managing Agent to move towards a financial reporting structure that accurately reflects the financial condition of the Association Budget and conforms to recommended accounting practices as outlined in annual audit reports.

**NOW, THEREFORE** be it resolved that the Board of Directors hereby establishes that the following policies that shall apply to the accounting structure of the Association on or after January 1, 2015.

1. The Managing Agent shall maintain and present accounting of the Association on a modified accrual basis. Accounts receivable shall be reported as they become due and expenses shall be reported when they become due.


Attest:


  
Secretary

  
Date Approved At Open Meeting

This resolution was adopted under the provisions of the Maryland Condominium Act, Section 11-111.

VOTE:

YES  NO   
Director

YES  NO   
Director

YES  NO   
Director

YES  NO   
Director

YES  NO   
Director

**HERON'S COVE CONDOMINIUM  
ADMINISTRATIVE RESOLUTION ON ENFORCEMENT OF ORDERLY  
AND COURTEOUS USE OF PARKING FACILITIES VERSION 4  
(replaces original Resolution adopted June 24, 1999)**

**WHEREAS**, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration and operation of the Condominium as provided for under the Maryland Condominium Act.

**WHEREAS**, Article III, Section 2(A) of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the care, upkeep, and maintenance of the Common Elements.

**WHEREAS**, Article III, Section 2(I) of the Bylaws states that the Board of Directors shall have the power to enact uniform rules and regulations from time to time for the use of the property, as well as the conduct and the enjoyment of the unit owners.

**WHEREAS**, Article III, Section 2(K) of the Bylaws states the Board of Directors shall control the use of all common elements, including, but not limited to, designated parking spaces thereon for use by unit owners and/or their guests.

**WHEREAS**, Article III, Section 2(i) authorizes the Board to enact "uniform Rules and Regulations from time to time for the use of the Property".

**WHEREAS**, the Board of Directors adopted Administrative Resolution on Enforcement of Orderly and Courteous Use of Parking Facilities on June 24, 1999, which provides for assignment of parking spaces for the exclusive use of residents and a uniform assignment of spaces to allow for a maximum of one space for each of the 406 units.

**WHEREAS**, The Board of Directors desires to modify the language of the Resolution adopted June 24, 1999 to clarify the administration of designated parking and parking permits, to provide that spaces may be assigned based on the number of permits issued to owners by the Association Office, and to provide that the maximum number of permit spaces shall be limited to 406 permit spaces and to restrict the parking of commercial vehicles within the community.


**NOW, THEREFORE** be it resolved that the Board of Directors hereby establishes the following policies to reiterate, formalize, and enforce standing Heron's Cove parking policies.

1. Handicapped parking spaces shall be designated and assigned to the resident of any unit with handicapped tag or placard. Resident must make application for a designated handicap space and upon approval will be issued an assigned space and Heron's Cove disabled parking hang tag permit. Signage will be placed by management and the signage will indicate the assigned Heron's Cove disabled permit number. Handicap spaces throughout the community shall be assigned to resident/applicant only and require a designated disabled parking permit from Heron's Cove. Proper use of assigned handicap spaces is enforceable by county and state authorities under applicable county and state law. In compliance with county and state laws and regardless of any other Heron's Cove parking regulation, vehicles with handicap tags or placard may be parked in any permit only or non-designated space at any time. Only one designated handicap space will be assigned per unit and the Heron's Cove disabled parking hang tag permit will be the only hang tag issued for the unit.
2. For the benefit of Heron's Cove residents and in keeping with standing Heron's Cove policies, resident parking spaces may be designated by the Board of Directors upon request of a unit owner in a quantity of not more than one parking space per unit (for a maximum of 406 ). Such parking spaces shall be located as closely as possible to the condominium buildings. Each such parking space shall be clearly labeled "PERMIT ONLY" with stenciled white or yellow paint at the street side opening to the parking space. The designation of any space may be changed from time to time by the Board of Directors so long as the total quantity of such designated spaces does not exceed 406 spaces.
3. Commercial vehicles shall not be parked in designated parking spaces as defined in (1) and (2) above. Commercial vehicles shall include mini vans, cargo vans, or pickup trucks used for commercial purposes, step vans, moving and delivery vans, tractor trailer cabs, taxi cabs, tow trucks, vehicles carrying buckets and ladders, any vehicle with a commercial decal, or any vehicle outlined in county or state laws as a commercial vehicle. An exception is made for



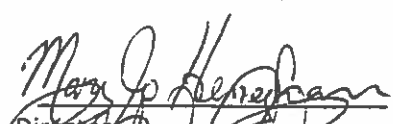


vehicles involved in unit move in and move out activities between the hours of 9:00 AM and 7:00 PM all days. Parking of commercial vehicles shall be limited to mini vans, small cargo vans (no ladder racks), standard pick-up trucks that do not have ladder racks or other commercial equipment and taxi cabs or passenger vehicles with a commercial decal. Parking of commercial vehicles shall be limited to areas designated by the Board of Directors or the Community Manager. Designated commercial areas may be changed or the Board may vote at an open meeting to prohibit commercial vehicle parking at the discretion of the Board of Directors or the Community Manager. Changes to designated areas for commercial parking or prohibition of commercial parking shall require 30 days notice to all residents. Commercial vehicles parked in violation of this resolution shall be subject to towing without notice. This resolution shall supersede the previous Resolution Parking of Commercial Vehicles adopted November 30, 1995.

4. To enforce the proper use of resident designated parking spaces as defined in (2) above, the community manager shall issue one numbered permit to each unit owner when the unit owner requests a permit by completing a Parking Permit Application. Only vehicles with this permit mounted on the rear view mirror or other clearly visible place within the vehicle may park in resident designated parking spaces. Unit owners may grant use of such permit to any person including resident tenants or guests for any period of time. Each permit number is assigned to a particular unit, not to a person or vehicle. Residents will be required to complete a Parking Permit Application and to include all vehicles in the residence and proof of valid registration. Lost or damaged permits will be replaced by the community manager for a fee set from time to time by the Board of Directors. Such fee shall be not less than \$50 and shall be payable to Heron's Cove Condominium. Not more than one hang tag will be issued to each unit, therefore, lost/damaged tags shall be voided and any vehicle displaying a voided tag shall be subject to towing without notice.
5. Signs stating in general terms the policies described in (2) and (4) above shall be placed at a minimum of four locations on the property as determined by the managing agent. Additional signs shall also be placed as required to comply with applicable county and state law in the exercise of enforcement policies and procedures, which may be adopted by the Board of Directors.
6. This resolution further provides that parking spaces not designated through policies (1) and (2) above remain available for use on a strictly first come, first serve basis by any vehicle belonging to Heron's Cove residents and their guest, unit owners and staff.
7. Any resident may submit a complaint to the Community Manager regarding violations of the policies set forth in this resolution. Such complaints would typically specify that someone known or unknown is parking in a resident designated parking space without a hang tag, is parking a commercial vehicle in a resident designated parking space, or is in possession of more than one hang tag through abuse of policies in (4) above. Action will be taken on such matters through standard Heron's Cove grievance procedures up through and including the levying of fines after a hearing before the Board of Directors. Finally, the Board of Directors shall have the authority to contract with an appropriately licensed towing company to enforce the policies of (1), (2), and (4) above on behalf of the Association through the towing of vehicles under guidelines stipulated by the Board of Directors as may be amended from time to time.

Attest:   
 Secretary  
5/22/2014  
 Date Approved At Open Meeting

***This resolution was adopted under the provisions of the Maryland Condominium Act, Section 11-111.***

VOTE:

<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<u></u>	<input type="checkbox"/> YES	<input type="checkbox"/> NO	_____
		Director			Director
<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<u></u>	<input type="checkbox"/> YES	<input type="checkbox"/> NO	_____
		Director			Director
<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<u></u>			
		Director			

**HERON'S COVE CONDOMINIUM**  
**ADMINISTRATIVE RESOLUTION ON**  
**LIMITED COMMON ELEMENTS (Patios), June 19, 2014**

WHEREAS, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration and operation of the Condominium as provided for under the Maryland Condominium Act.

WHEREAS, Article III, Section 2(i) of the Bylaws authorizes the Board of Directors to enact uniform rules and regulations for the use of the property, as well as the conduct and enjoyment of the Unit Owners.

WHEREAS, Article V, Section 13 (h) of the Bylaws states: The limited common elements and all yards must be kept in an orderly condition so as not to detract from the neat appearance of the community. The Board of Directors, in its sole discretion, may determine whether or not limited common elements are orderly.

WHEREAS, Article V, Section 13 (o) states: Nothing shall be stored or placed upon any balcony or patio or upon any other portion of the common elements of the Property, except with the consent of the Board of Directors.

WHEREAS, it is the desire of the Board of Directors to enact reasonable and responsible policies in order to maintain property values and to preserve the aesthetic appearance of the property.

NOW THEREFORE be it resolved that the Board of Directors hereby establishes the following policies regarding limited common elements (patios).

1. **ITEMS PERMITTED ON LIMITED COMMON ELEMENTS (PATIOS):** Items permitted on limited common elements that do not require the written consent of the Board of Directors are limited to:

- *Table, chair(s), hammock and/or chaise(s) specifically designed and manufactured for outdoor use and totally contained within the boundaries of the patio.*
- *Outdoor plant stand and/or pots specifically designed for exterior use and in good condition. Stands or hangers must be free standing and contained within the boundaries of the patio. Hangers may not be placed in walls, ceiling or in patio surface.*
- *One grill which is stored within the boundaries of the patio. Grill must be used not less than 15 feet from any building and /or tree for fire prevention.*
- *One satellite TV dish which is free standing and contained within the boundaries of the patio. No items may be attached to the walls, ceiling, or patio surface.*

2. **BOARD CONSIDERATION FOR OTHER ITEMS TO BE PLACED ON LIMITED COMMON ELEMENTS:** All requests for consent to store and/or place other items not indicated above shall be made in writing to the Board of Directors by delivery to the Management Office. The decision of the Board shall be in writing within 45 days of the written request.

Yes \_\_\_ No May Herten Yes \_\_\_ No \_\_\_\_\_  
President  
 Yes \_\_\_ No Bob Wolff Yes \_\_\_ No \_\_\_\_\_  
Vice President  
Treasurer  
 Yes \_\_\_ No John Dineen Yes \_\_\_ No \_\_\_\_\_  
Secretary  
Director

Adopted at an open Board Meeting on June 19, 2014

**HERON'S COVE CONDOMINIUM  
ADMINISTRATIVE RESOLUTION ON ENFORCEMENT OF ORDERLY  
AND COURTEOUS USE OF PARKING FACILITIES VERSION 2  
(revises original Resolution adopted June 24, 1999)**

**WHEREAS**, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration and operation of the Condominium as provided for under the Maryland Condominium Act.

**WHEREAS**, Article III, Section 2(A) of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the care, upkeep, and maintenance of the Common Elements.

**WHEREAS**, Article III, Section 2(I) of the Bylaws states that the Board of Directors shall have the power to enact uniform rules and regulations from time to time for the use of the property, as well as the conduct and the enjoyment of the unit owners.

**WHEREAS**, Article III, Section 2(K) of the Bylaws states the Board of Directors shall control the use of all common elements, including, but not limited to, designated parking spaces thereon for use by unit owners and/or their guests.

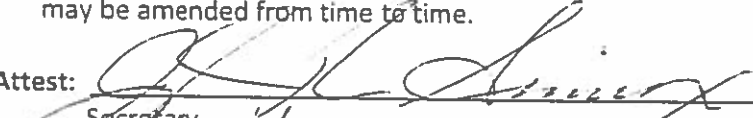
**WHEREAS**, the Board of Directors adopted Administrative Resolution on Enforcement of Orderly and Courteous Use of Parking Facilities on June 24, 1999.

**WHEREAS**, The Board of Directors desires to modify the language of the Resolution adopted June 24, 1999 to clarify the administration of designated parking and parking permits.

**NOW, THEREFORE** be it resolved that the Board of Directors hereby establishes the following policies to reiterate, formalize, and enforce standing Heron's Cove parking policies.

1. Handicapped parking spaces shall be designated and assigned to the resident of any unit with handicapped tag or placard. Resident must make application for a designated handicap space and upon approval will be issued an assigned space and Heron's Cove disabled parking hang tag permit. Signage will be placed by management and the signage will indicate the assigned Heron's Cove disabled permit number. Handicap spaces throughout the community shall be assigned to resident/applicant only and require a designated disabled parking permit from Heron's Cove. Proper use of assigned handicap spaces is enforceable by county and state authorities under applicable county and state law. In compliance with county and state laws and regardless of any other Heron's Cove parking regulation, vehicles with handicap tags or placard may be parked in any permit only or non-designated space at any time. Only one designated handicap space will be assigned per unit and the Heron's Cove disabled parking hang tag permit will be the only hang tag issued for the unit.
2. For the benefit of Heron's Cove residents and in keeping with standing Heron's Cove policies, resident parking spaces shall be designated by managing agent in a quantity equal to one parking space per unit (406 total). Such parking spaces shall be located as closely as possible to the condominium buildings. Each such parking space shall be clearly labeled "PERMIT ONLY" with stenciled white or yellow paint at the street side opening to the parking space. The designation of any space may be changed from time to time by the managing agent or the Board of Directors so long as the total quantity of such designated spaces remains unchanged.
3. Commercial vehicles shall not be parked in designated parking spaces as defined in (1) and (2) above. Commercial vehicles shall include mini vans, cargo vans, or pickup trucks used for commercial purposes, step vans, moving and delivery vans, tractor trailer cabs, taxi cabs, tow trucks, vehicles carrying buckets and ladders, any vehicle with a commercial decal, or any vehicle outlined in county or state laws as a commercial vehicle. An exception is made for vehicles involved in unit move in and move out activities between the hours of 9:00 AM and 7:00 PM all days.

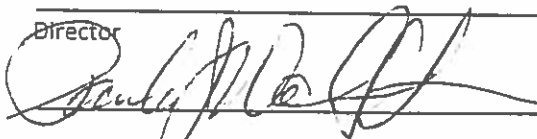
4. To enforce the proper use of resident designated parking spaces as defined in (2) above, the management agent shall issue one numbered hang tag to each unit. Only vehicles with this hang tag mounted on the rear view mirror or other clearly visible place within the vehicle may park in resident designated parking spaces. Unit owners may grant use of such hang tag to any person including resident tenants or guests for any period of time. Each hang tag number is assigned to a particular unit, not to a person or vehicle. Residents will be asked to complete a Parking Permit Application and to include all vehicles in the residence and proof of valid registration. Lost or damaged hang tags will be replaced by the managing agent for a fee set from time to time by the Board of Directors. Such fee shall be not less than \$50 and shall be payable to Heron's Cove Condominium. Not more than one hang tag will be issued to each unit, therefore, lost tags shall be voided and any vehicle displaying a voided tag shall be subject to towing without notice.
5. Signs stating in general terms the policies described in (2) and (4) above shall be placed at a minimum of four locations on the property as determined by the managing agent. Additional signs shall also be placed as required to comply with applicable county and state law in the exercise of enforcement policies and procedures, which may be adopted by the Board of Directors.
6. This resolution further provides that parking spaces not designated through policies (1) and (2) above remain available for use on a strictly first come, first serve basis by any vehicle belonging to Heron's Cove residents and their guest, unit owners and staff.
7. Any resident may submit a complaint to the managing agent regarding violations of the policies set forth in this resolution. Such complaints would typically specify that someone known or unknown is parking in a resident designated parking space without a hang tag, is parking a commercial vehicle in a resident designated parking space, or is in possession of more than one hang tag through abuse of policies in (4) above. Action will be taken on such matters through standard Heron's Cove grievance procedures up through and including the levying of fines after a hearing before the Board of Directors. Finally, the Board of Directors shall have the authority to contract with an appropriately licensed towing company to enforce the policies of (1), (2), and (4) above on behalf of the Association through the towing of vehicles under guidelines stipulated by the Board of Directors as may be amended from time to time.


Attest:   
 Secretary  
February 20, 2014  
 Date Approved At Open Meeting

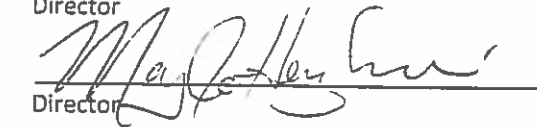
This resolution was adopted under the provisions of the Maryland Condominium Act, Section 11-111.

VOTE:

YES  NO \_\_\_\_\_  
 Director

YES  NO   
 Director

YES  NO   
 Director

YES  NO   
 Director

YES  NO \_\_\_\_\_  
 Director

HERON'S COVE CONDOMINIUM  
UNIT OWNERS ASSOCIATION

POLICY RESOLUTION NO. \_\_\_\_\_

LEASE ADDENDUM

Recitals

- A. Article III, Section 2(i) of the Bylaws provides that the Board of Directors ("Board") shall have the power to enact uniform Rules and Regulations for the use of the of the Property, as well as the conduct and enjoyment of the unit owners.
- B. Article V, Section 14(g) of the Bylaws requires leases of units to contain certain provisions for the protection of the Association.
- C. The Board has determined that it is necessary, pursuant to the Board's authority set forth above, to prescribe the form of a lease addendum addressing issues which are of concern to the Association.
- D. The Board, by this Resolution, wishes to adopt a rule requiring the use of such a lease addendum for all leases signed or renewed after the effective date hereof, pursuant to Article III, Section 2(i) of the Bylaws.

NOW, THEREFORE, the Board hereby adopts the following rule:

1. Owners and their tenants may use any written form of lease, provided, however, that the owner and the owner's tenants also must sign the form of lease addendum attached hereto as Exhibit A, and such lease addendum shall be incorporated as a part of the lease, for all new leases and lease renewals, beginning on March 1, 2009. After that date, if a unit is leased, or if a lease is renewed without the lease addendum required by this rule, the owner shall be subject to enforcement action by the Association, including, without limitation, legal action and fines assessed in accordance with the Maryland Condominium Act.
2. A copy of each signed lease and lease addendum, and copies of all amendments, updates and renewals thereof, shall be provided to the Association by the owner, in accordance with Article V, Section 14(g) of the Bylaws.
3. Along with the copy of the signed lease and lease addendum, the owner shall provide to the Association the names of all residents authorized to occupy the unit, and a description of any and all pets authorized by the owner to be in the unit. The owner shall update this information with the Association whenever it changes.

## LEASE ADDENDUM

THIS ADDENDUM to a certain lease ("Lease") of:

\_\_\_\_\_ ("Unit")  
 (address)

in Heron's Cove Condominium is made as of \_\_\_\_\_, 20\_\_\_\_, by and between:

\_\_\_\_\_ ("Landlord"),  
 and \_\_\_\_\_ ("Tenant").

## RECITALS

- A. Landlord and Tenant have entered into the Lease for the Unit.
- B. Landlord and Tenant enter into this Addendum, in order to comply with the leasing requirements of Heron's Cove Condominium Unit Owners Association ("Association").

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements contained in the Lease and herein, Landlord and Tenant hereby agree as follows:

**1. Applicability of Governing Documents.**

a. **Declaration, Bylaws and Rules.** Tenant's right to use and occupy the Unit shall be subject and subordinate in all respects to the provisions of the Condominium Instruments, including without limitation the Bylaws, of Heron's Cove Condominium and to such other Policy Resolutions, Administrative Resolutions, rules and regulations as the Association may from time to time adopt (the foregoing documents are referred to collectively as the "Governing Documents"). Tenant acknowledges receiving a copy of the Governing Documents from Landlord.

b. **Violations.** Any violation of the provisions of the Governing Documents by Tenant, or Tenant's family, guests, agents, employees, licensees, invitees, employees or agents, shall constitute a material breach of the Lease. In the event of such violation, or in the event of Tenant's non-payment of rent to the Association pursuant to Paragraph 2 below, the Association shall have the right, but not the obligation, to take appropriate action, including legal action, against Landlord, Tenant, or both, for injunctive relief, damages, or any other remedy necessary, including without limitation legal action on behalf of Landlord to terminate the Lease and obtain possession of the Unit. Landlord and Tenant hereby expressly authorize the Association to take any such action. Landlord agrees that the Association shall have the right, in its sole discretion, to act as agent for Landlord in taking action to terminate the Lease and obtain possession of the Unit. Landlord shall pay the Association all costs and attorney's fees incurred by the

Association in enforcing the Governing Documents and Rules and Regulations and in exercising any of the rights and remedies set forth herein.

**c. Indemnification.** Tenant and Landlord, jointly and severally, shall indemnify and hold harmless the Association from and against any damages, direct or indirect and including costs and attorney's fees, incurred as a result of the non-compliance by any of the aforesaid persons with the provisions of any of the Governing Documents, any applicable law or governmental regulation, or any other provision of the Lease.

**2. Assignment of Rent.** If at any time during the lease term, including any extension, renewal or holdover term, Landlord becomes delinquent in the payment of any amounts due from Landlord to the Association, the Association, at its option, as long as such delinquency continues, may demand and receive payment from Tenant of all such amounts due or becoming due, up to an amount sufficient to pay all sums due from Landlord to the Association, and any such payment from Tenant to the Association shall be deemed to be a full and sufficient payment of rent to Landlord in accordance with the Lease, and Tenant shall be discharged from any obligation to pay such amounts directly to Landlord, so long as such payments are made to the Association, until Landlord's delinquency to the Association, including all associated costs, has been completely cured. Tenant shall begin making such payments upon receipt of a letter signed by an authorized officer or agent of the Association, indicating that Landlord is delinquent in the payment of assessments or other amounts due, and demanding payment from the tenant pursuant to this Paragraph, and shall continue making such payments in monthly installments equal to monthly installments of rent due pursuant to the Lease until advised in writing by the Association that Landlord's delinquency has been cured. Landlord hereby assigns to the Association the right to take legal action for non-payment of rent if Tenant fails to pay the Association any amounts due pursuant to this Paragraph, provided, however, that the Association shall not be obligated to take such action, and provided, further, that Landlord shall under no circumstances be released from any of Landlord's payment obligations or other obligations to the Association by virtue of the provisions herein.

**IN WITNESS WHEREOF,** the parties hereto have caused this Addendum to be duly executed on the date first written above.

**LANDLORD:**

**TENANT:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Address

Address

\_\_\_\_\_

\_\_\_\_\_

RESOLUTION ACTION SHEET

Policy Resolution Number \_\_\_\_\_

Lease Addendum

Date of Adoption: 1/22/2009

The above-referenced Resolution was adopted by the Board of Directors as of the date set forth above.

Signatures:

Vote: (Y/N)

Lenne Schenckel  
Director

Yes

Paul J. Nels  
Director

Yes

Amy Sprucia  
Director

yes

Andrew Podoloff  
Director

YES

\_\_\_\_\_  
Director

ATTEST:

Andrew Podoloff  
Secretary

1/22/09  
Date



HERON'S COVE CONDOMINIUM  
POLICY RESOLUTION ON  
RENTAL LEASES TO BE FILED IN MANAGEMENT OFFICE

WHEREAS, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration of the Condominium as provided for under the Maryland Condominium Act.

WHEREAS, Article III, Section 2(i) of the Bylaws provides that the Board of Directors shall have the power to enact uniform Rules and Regulations for the use of the Property, as well as the conduct and enjoyment of the unit owners.

WHEREAS, Article V, Section 14(g) of the Bylaws requires leases of units to contain certain provisions for the protection of the Association, and particularly states that "All leases must be in writing."

WHEREAS, the Board of Directors believes that retaining copies of all rental leases, including any and all addenda and amendments which may be associated with each lease, would provide for better management of the Condominium and its enjoyment by owners and residents.

NOW, THEREFORE the Board of Directors hereby adopts the following rule:

1. A copy of each signed lease, and copies of all addenda, amendments, updates and renewals thereof, shall be provided to the Association by the owner, in accordance with Article V, Section 14(g) of the Bylaws.

ATTEST: Andrew Podolsky  
Secretary  
January 22, 2009  
Date Approved At Open Meeting

BOARD APPROVALS:

Yes  No Rene E. Schoenbeck  
President

Yes  No Michelle J. Neel  
Vice-President

Yes  No Amy Spiccia  
Treasurer

Yes  No Andrew Podolsky  
Secretary

Yes  No \_\_\_\_\_  
At-Large Member

**HERON'S COVE CONDOMINIUM**  
**ADMINISTRATIVE RESOLUTION**  
**RELATING TO COLLECTION OF ASSESSMENTS**

WHEREAS, Article V, Section 6 of the Bylaws of Mills Choice Condominium a/k/a Heron's Cove Condominium ("Bylaws") creates an assessment obligation for Unit Owners.

WHEREAS, Article III, Section 2 of the Bylaws empowers the Board of Directors to collect the common charges and expenses from Unit Owners.

WHEREAS, Article V, Section 6 of the Bylaws establishes the rights of the Association in establishing the means and method of collection of assessments.

WHEREAS, Article V, Section 8 of the Bylaws empowers the Board of Directors to elect to charge eight percent (8%) interest per year on assessments which have not been fully paid when due.

WHEREAS, the Board of Directors deems it necessary to establish orderly procedures for the billing and collection of assessments.

NOW THEREFORE, BE IT RESOLVED THAT the Board of Directors duly adopts the following assessment procedures:

**I. ROUTINE COLLECTIONS**

- A. All monthly installments of the annual assessment shall be due and payable the first day of the applicable month.
- B. All documents, notices, and correspondence relating to the annual assessment and any other assessments or charges incurred by a Unit Owner shall be mailed to the address which appears on the books of the Association. Non-resident Unit Owners shall furnish the Association with an address where mail will be promptly received by the Unit Owner. All Unit Owners are responsible for providing the Association with any change of address.
- C. Non-receipt of a bill shall in no way relieve the Unit Owner of the obligation to pay the amount due by the due date.

## II. REMEDIES FOR NON-PAYMENT OF ASSESSMENTS

- A. If payment is not received by the Condominium's Management Company by the fifteenth (15th) of the month, the account shall be deemed late and charged a late fee of \$15.00.
- B. On or about the 15th day of delinquency, the Management Company will send a late notice to all Unit Owners who are delinquent in the payment of their assessments. In the notice, the Management Company will request immediate payment from the Unit Owner and advise the Unit Owner that if full payment is not received by the 30th day of delinquency, the matter will be turned over to the Association's attorney for collection action and all costs and attorney's fees incurred will be added to the Unit Owner's account and will become the responsibility of the Unit Owner. Failure to receive this notice, however, does not relieve a Unit Owner of his or her obligation to pay the required assessment, late fee, or any other charge.
- C. On or about the 30th day of delinquency, the Management Company will forward to the attorney, in writing, a list of all Unit Owners who are delinquent in the payment of assessments.
- D. If the Unit Owner fails to pay the total amount due within 60 days of delinquency, the outstanding assessment shall bear interest at the rate of eight percent (8%) per year until fully paid.
- E. The Association's attorney will send a Notice of Intent to Record a Statement of Lien to all Unit Owners who are delinquent. The Notice will demand payment, within thirty (30) days, of all past-due assessments, late fees, attorney's fees and costs. The Notice will also advise the owner that, in the event the outstanding balance is not paid within thirty (30) days, all assessments for the remainder of the fiscal year will be accelerated and a Statement of Lien will be filed with the county land records securing the accelerated assessments, special assessments if applicable, late fees, attorney's fees, and collection costs. Finally, the Notice will inform the Unit Owner that he or she may, within thirty (30) days of service of the Notice, file a Complaint in Circuit Court requesting a hearing to determine whether there is probable cause for the filing of a lien by the Association.

F. If the Unit Owner fails to pay the total amount due on the Notice and does not file a Complaint in Circuit Court within thirty days of service, the Association's attorney shall prepare a Statement of Lien and forward it to the Management Company for execution and filing with the County Land Records. A copy of the lien will be sent to the Unit Owner.

G. If the Unit Owner fails to bring his or her account current within thirty (30) days from the filing of the lien, the Board of Directors may authorize the Association's attorney to pursue foreclosure of the lien, file a personal lawsuit against the Unit Owner, and/or take any other action permitted by law to recover the total amount due from the Unit Owner.

H. The Association's attorney and Management Company will keep a full accounting of all fees and expenses incurred, and of all payments made by a Unit Owner.

I. Should the Board of Directors agree to any payment arrangement with a Unit Owner, the Association's attorney will cease activity on the collection matter at the time that the payment agreement is accepted, but will not close the matter until the payment arrangement is completed. Neither the Management Company nor the Association's attorney has authority to enter into a payment agreement unless the Board of Directors authorizes the same.

J. Payments received from a Unit Owner will be credited in the following order of priority: 1.) Assessments, including special assessments; 2.) Late fees; 3.) Collection Costs; and 4.) Attorney's fees.

K. A Unit Owner will be charged a \$25.00 administrative fee for each check submitted as a payment on his or her account which is returned for insufficient funds.

L. This Resolution supersedes any prior Collection Resolution.

**HERON'S COVE CONDOMINIUM**  
**ADOPTION OF ADMINISTRATIVE RESOLUTION**  
**RELATING TO COLLECTION OF ASSESSMENTS**

ATTEST: Andrew Podoly Secretary      February 26, 2009 Date

<input checked="" type="checkbox"/> yes <input type="checkbox"/> no	<u>Lynne Scherbeck</u> President
<input checked="" type="checkbox"/> yes <input type="checkbox"/> no	<u>Richard J. Noel</u> Vice-President
<input checked="" type="checkbox"/> yes <input type="checkbox"/> no	<u>Cheryl Lucia</u> Treasurer
<input checked="" type="checkbox"/> yes <input type="checkbox"/> no	<u>Andrew Podoly</u> Secretary
<input type="checkbox"/> yes <input type="checkbox"/> no	_____ At-Large Member

Initial Collection Policy adopted at the March 29, 1999 Board Meeting

Collection Policy Amended at the 2/26/09 Board Meeting  
(Regular, Special, Written Consent)

Resolution No.: \_\_\_\_\_

Type of Resolution:

\_\_\_\_\_ Policy  
 Administration  
\_\_\_\_\_ Special  
\_\_\_\_\_ General

**HERON'S COVE CONDOMINIUM  
ADMINISTRATIVE RESOLUTION ON  
CREATION OF EXCESS OPERATING ACCOUNT**

**WHEREAS**, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration of the Condominium as provided for under the Maryland Condominium Act.

**WHEREAS**, Article III, Section 2(E) of the Bylaws states that the Board of Directors shall open bank accounts on behalf of the Association.

**WHEREAS**, Article III, Section 2(L) of the Bylaws states that the Board of Directors shall establish and maintain reasonable reserves for repair and replacement of the Common Elements.

**WHEREAS**, the fiduciary responsibility of the Board of Directors imposes an obligation on the Board of Directors to not allow assets to deteriorate or unduly be exposed to abuse.

**WHEREAS**, it is desirable and mandatory that the Board of Directors establish guidelines pertaining to how, where, and when funds are to be invested.

**WHEREAS**, it is desired by the Board Of Directors, its advisors, and the Managing Agent to establish a method for funding operating expenses which commonly vary substantially from year to year and are not under the control of the Board of Directors. Such expenses may include, but are not intended to be limited to: snow removal, weather-related utility expense spikes, and similar unpredictable costs.

**WHEREAS**, the Board Of Directors believes that the existence of sufficient persistent excess operating funds would allow for budgeting at more predictable and manageable levels to cover cash flow of historically highly variable expenses.

**NOW, THEREFORE** be it resolved that the Board of Directors hereby establishes an Excess Operating bank account for the purpose of paying operating budget invoices which exceed the available cash balance of the regular operating account. The following policies shall apply for the expenditure of funds for the Excess Operating Account.

1. The Board of Directors authorizes the Managing Agent to establish an Excess Operating account in the amount of \$60,000 or other amount as may be determined by the Board Of Directors from time to time. Determination of this target amount shall be made by the Board Of Directors no less than once per year, normally during budget preparation. A budget line item may be added for funding of changes to the target amount.
2. The Excess Operating account shall be maintained in an interest bearing money market account at an institution other than the institution holding the operating or reserve accounts.

3. The Managing Agent is directed to maintain and/or replenish the specified target balance in the Excess Operating account as operating funds are available. This account shall appear as a line item on the monthly balance sheet.
4. The Managing Agent shall advise the Board of Directors in advance of the need to transfer funds from Excess Operating Account to the Regular Operating Account and shall provide supporting invoice documentation.
5. Except in an emergency situation, the Managing Agent shall have written authorization from the Board of Directors prior to the transferring of funds.

ATTEST: Paul J. Trace  
 Secretary  
1/24/08  
 Date Approved At Open Meeting

BOARD APPROVALS:

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<u>Leslie E. Scherbeck</u> President
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<u>Donald J. Leisner</u> Vice-President
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<u>Mark Klaw</u> Treasurer
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<u>Paul J. Trace</u> Secretary
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<u>Andrew Podolsky</u> At-Large Member

**HERON'S COVE CONDOMINIUM**  
**ADMINISTRATIVE RESOLUTION**

**POLICIES AND GUIDELINES FOR FLOOR COVERINGS**

**WHEREAS**, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration and operation of the Condominium as provided for under the Maryland Condominium Act.

**WHEREAS**, Article III, Section 2(i) of the Bylaws authorizes the Board of Directors to enact uniform rules and regulations for the use of the property, as well as the conduct and enjoyment of the Unit Owners.

**WHEREAS**, it is the desire of the Board of Directors to enact reasonable and responsible policies in order to maintain property values, to preserve the aesthetic appearance of the property, and to protect the rights of all residents to enjoy the comfort of their unit.

**NOW THEREFORE**, be it resolved that the Board of Directors hereby establishes the following policies regarding carpeting of unit floors which are located above other units to reduce noise transmission to lower units.

**FLOOR COVERINGS:**

- 1. This resolution applies to all condominium units located on the second and third floors only.**
- 2. Unit Owners are required to maintain traditional carpeting which covers at least 80% of all flooring surfaces of the unit which are not excluded in item #3.**
- 3. Flooring areas on which carpet is not required are limited to kitchens, bath rooms and entry area foyers.**



ATTEST: Paul J. Keel  
Secretary

June 26, 2008  
Date approved at Open Meeting

APPROVALS:

Yes  No Lynne Scherbert  
Director

Yes  No Prinda J. Evans  
Director

Yes  No Mark Shew  
Director

Yes  No Paul J. Keel  
Director

Yes  No Andrew Podolsky  
Director

Adopted at an Open Meeting on June 26, 2008

**HERON'S COVE CONDOMINIUM  
ADMINISTRATIVE RESOLUTION ON  
UNIFORM REFUSE AND WASTE SERVICES POLICY**

**WHEREAS**, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration and operation of the Condominium as provided for under the Maryland Condominium Act.

**WHEREAS**, Article III, Section 2(A) of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the care, upkeep, and maintenance of the Common Elements.

**WHEREAS**, Article III, Section 2(B) of the Bylaws states that the Board of Directors shall determine the Common Expenses required for the affairs of the Association.

**WHEREAS**, Article III, Section 2(I) of the Bylaws states that the Board of Directors shall have the power to enact uniform rules and regulations from time to time for the use of the property, as well as the conduct and the enjoyment of the unit owners.

**WHEREAS**, Article III, Section 2(K) of the Bylaws states the Board of Directors shall control the use of all common elements for use by unit owners and/or their guests.

**WHEREAS**, it is desired by the Board of Directors, its advisors, and the managing agent to establish waste management policies which contain costs and present a clear set of responsibilities and level of service to residents.

**NOW, THEREFORE** be it resolved that the Board of Directors hereby establishes the following policies regarding waste management services and expenses.

1. **The association shall maintain a trash collection room** in each residential building as established by the original building architecture. Maintenance shall include facility integrity, lighting, fire protection, and provision of refuse and recycling containers. A contractor shall be given access to these facilities to remove refuse and recyclable materials only as specifically defined herein.
2. **Refuse collected from trash collection rooms** shall include only bagged household trash. Such materials are defined as those which fit fully within a forty (40) gallon or smaller plastic garbage bag and are contained entirely within provided refuse containers.
3. **Recyclable materials collected from trash collection rooms** shall include only those items specified as recyclable within Montgomery County regulations. A list or description of such items shall be posted in each trash collection room by the managing agent from time to time. All such items must fit entirely within the containers provided for that purpose.
4. **There shall be no other service to the trash collection rooms.** Large bulk trash and other waste items not complying with the above definitions shall not be allowed in the trash collection rooms. Violators will be subject to fining as well as incurring charges for staff time in removal and hauling of abandoned items.

5. **Hazardous materials** including such items as paints, fuels, batteries, tires, motor oil, or any other item defined as hazardous by Montgomery County may not be disposed of in any Heron's Cove waste facility. Residents are responsible for proper disposal of these items by such means and at such locations as provided by the county.
  
6. **A system of shared responsibility and shared cost shall be applied uniformly.** The above described services and restrictions shall define the extent of the Association's waste disposal program with services paid for through condominium fees. Any owner (and/or his/her renter) who randomly dumps items by the boiler plant or on any common element or otherwise fails to comply with this resolution will be responsible for all expenses incurred including removal, storage, hauling and disposal charges required to appropriately remove and dispose of the items. Owners will likewise be responsible for any items or debris discarded on any common element by a contractor employed by the owner to do repairs, replacements or remodeling work.

ATTEST: *Paul J. Hall*  
 Secretary

June 29, 2006  
 Date Approved At Open Meeting

APPROVALS:

- |   |                             |  |
|---|-----------------------------|--|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <u><i>Ryann E. Schaebeck</i></u><br>Director |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <u><i>Linda J. Evans</i></u><br>Director     |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <u><i>Mark Shaw</i></u><br>Director          |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <u><i>Paul J. Hall</i></u><br>Director       |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <u><i>William E. ...</i></u><br>Director     |

Adopted at an open Board Meeting on June 29, 2006.

**HERON'S COVE CONDOMINIUM**  
**ADMINISTRATIVE RESOLUTION ON**  
**POLICIES AND GUIDELINES FOR WINDOW COVERINGS**

**WHEREAS**, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration and operation of the Condominium as provided for under the Maryland Condominium Act.

**WHEREAS**, Article III, Section 2(i) of the Bylaws authorizes the Board of Directors to enact uniform rules and regulations for the use of the property, as well as the conduct and enjoyment of the Unit Owners.

**WHEREAS**, it is the desire of the Board of Directors to enact reasonable and responsible policies in order to maintain property values and to preserve the aesthetic appearance of the property.

**NOW THEREFORE** be it resolved that the Board of Directors hereby establishes the following policies regarding coverings on unit windows.

**1. PRIMARY WINDOW COVERINGS:** All unit windows shall be equipped with a white or off-white opaque primary window covering. A primary window covering is defined as the window covering visible from the outside view of the unit. These can include vertical blinds, horizontal blinds or drapes lined with a white or off-white lining. All primary window coverings shall be of a size to completely cover the window dimensions, be in good repair and shall not be obstructed by furniture or any other item. Drapes in sunroom and patio windows shall be hemmed to an appropriate length that does not drag on the floor.

\* Sheer draperies, due to their transparent nature, are not opaque and therefore shall not be permitted as primary window coverings.

\* Permitted primary window coverings *shall not include* bed sheets, bed covers, shower curtains or any other covering not specifically designed primarily as a window covering.

**2. SECONDARY WINDOW COVERINGS:** Secondary window coverings, such as sheers, curtains and/or colored drapes may be used within the unit in addition to the white or off-white opaque primary window coverings. These secondary window coverings shall be hung within the unit in such a manner that the opaque primary window covering is visible from the outside view of the unit.

\* Permitted secondary window coverings *shall not include* bed sheets, bed covers, shower curtains or any other covering not specifically designed primarily as a window covering.

**3. WINDOW DECORATIONS / ITEMS ADHERED TO WINDOWS:** Commonly recognized holiday and/or national event decorations (including lights *which must not be left on all night*) may be displayed in the windows and/or temporarily adhered to the window glass. Such decorations shall not be put up more than two (2) weeks in advance of the holiday. December holiday decorations shall be permitted up to five (5) weeks in advance of the date of the holiday. **All such decorations and any materials used to adhere items to the window glass shall be removed from the windows within two weeks after the date (or end date) of the holiday or national event.**

\* Other than decorations defined above, no items (except those permitted below) shall be adhered, taped or in anyway affixed directly to the window glass or surrounding window area that is visible from the outside of the unit when the primary window coverings are closed.

\* Permitted items that may be permanently adhered to window glass are decals from a security company in units where a resident currently subscribes to that security service. Limit one per window.

Date: 11/20/03

Yes

No

Norm E. Schaebeck  
President

Yes

No

Amy A. Mawzy  
Vice President

Yes

No

Pinda J. Stevens  
Secretary

Yes

No

Mark Shaw  
Treasurer

Yes

No

Paul J. Hill  
Director

Adopted at an open Board Meeting on Nov. 20, 2003

HERON'S COVE CONDOMINIUM  
ADMINISTRATIVE RESOLUTION REGARDING ACCESS TO  
POOL AND PARTY ROOM FOR UNIT OWNERS IN ARREARS

WHEREAS, Article III, Section 2(i) of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration and operation of the Condominium.

WHEREAS, Article III, Section 2(i) of the Bylaws authorized the Board of Directors to enact uniform rules and regulations for the use of the property, as well as the conduct and enjoyment of the Unit Owners.

WHEREAS, Article III, Section 2(c) of the Bylaws provides the Board with the authority to collect common charges and expenses from the Unit owners including the Montgomery Village fee which each unit owner is responsible for paying as incorporated in their Association fees.

WHEREAS, Article III, Section 2(k) of the Bylaws provides for the Board to control the use of all Common Areas.

WHEREAS, The Association fees are used in part for: cleaning, utilities, furnishings and maintenance for the party room; operation of the pool including utilities, maintenance, and lifeguard services; as well as payment of assessments to the Montgomery Village Foundation.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors hereby establishes a policy by which unit owners who owe the Association any monies more than 30 days past due, and/or their renters will not be entitled to:

1. Receive their Heron's Cove swimming pool passes which are also their Montgomery Village Association Activity cards or;
2. Rent the Heron's Cove Community Party Room.

ATTEST:

*Linda J. Evans*  
Secretary

*April 27 2023*  
Date Approved At Open Meeting

BOARD APPROVALS:

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<u><i>Lyne E. Sweetest</i></u>
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<u><i>Dorey A. Mousy</i></u>
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<u><i>Linda J. Evans</i></u>
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<u><i>Mark New</i></u>
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<u><i>Paul J. Rice</i></u>

**HERON'S COVE CONDOMINIUM  
ADMINISTRATIVE RESOLUTION ON  
REVISED BUDGET PROCEDURES AND  
REVISED ASSESSMENT PAYMENT COUPON**

**WHEREAS**, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration of the Condominium as provided for under the Maryland Condominium Act.

**WHEREAS**, Article III, Section 2(B) of the Bylaws states that the Board of Directors shall determine the Common Expenses required for the affairs of the Association.

**WHEREAS**, Article III, Section 2(C) of the Bylaws states that the Board of Directors is responsible for the collection of the Common Expenses from the Unit Owners in the form of Condominium Assessments.

**WHEREAS**, Article III, Section 1 of the Montgomery Village Foundation bylaws Supplementary Declaration regarding Mills Choice requires Montgomery Village Foundation assessments for Units in the Condominium to be collected by the Board Of Directors as part of the process of collecting Condominium assessments from Unit Owners.

**WHEREAS**, it is desired to exclude Montgomery Village Foundation assessments from the Common Expenses of the Condominium as required by Article III, Section 2 of the bylaws of Montgomery Village Foundation which clearly implies a flat rate of assessment per dwelling unit. Such flat rate method of assessment is furthermore clearly extended to the Units within the Condominium by the Supplementary Declaration of Montgomery Village Foundation regarding Mills Choice, Article III, Section 3.

**WHEREAS**, it is desired by the Board Of Directors, its advisors, and the managing agent to more clearly indicate the major elements of Common Expenses being covered by the Condominium Assessments. Specifically, it is desired to demonstrate the portion of Common Expenses representing utility costs in a meaningful way to Unit Owners.

**NOW, THEREFORE** the Board Of Directors resolves the following

1. **Montgomery Village Foundation assessments are not to be considered a Common Expense.** The assessments levied by the Montgomery Village Foundation are in fact an expense and responsibility of each Unit Owner. These fees are paid by way of the Board Of Directors acting as agent for the Foundation as required by the Montgomery Village Foundation bylaws Supplementary Declaration regarding Mills Choice. This provision requires that the assessments levied by Montgomery Village Foundation be known during the yearly budget preparation process.
2. **Budget Treatment of Montgomery Village Foundation assessments.** The Condominium shall continue to include Montgomery Village Foundation assessments as an operating expense in the budget, but shall henceforth also include an equal line item under "other income" in the budget. By following the requirements of the July 1994 *Resolution For The Annual Budget*, this will remove the amount of Montgomery Village Foundation assessments from the top line budgeted Condominium Assessment income. This "other income" from Montgomery Village Foundation assessments will result from the collection of such assessments from Unit Owners along with Condominium Assessments. The top line budgeted Condominium Assessment income shall continue to be collected from Unit Owners in an allocation defined by percentage ownership interest as required by the Condominium bylaws.

3. **Format of assessment payment coupons.** As the result of budget analysis and the provisions of this Resolution, the Board Of Directors requests that the managing agent distribute to Unit Owners in following years assessment payment coupons which contain the following line items.
- A. A line labeled "Operations" with an amount equal to sixty percent (60%) of each Unit Owner's share of the top line budgeted Condominium Assessment income.
  - B. A line labeled "Utilities" with an amount equal to forty percent (40%) of each Unit Owner's share of the top line budgeted Condominium assessment income.
  - C. A line labeled "Montgomery Village Foundation" with an amount equal to the flat rate Montgomery Village Foundation assessment for each Unit.
  - D. A line labeled "Total Condominium Fees Due" which is the sum of lines A through C above.
- Finally, the Board Of Directors may change the percentage allocations defined in A and B above by memorandum to the managing agent during budget preparation each year without affecting the provisions of this resolution. Such action will generally be based on new information regarding budgeted expenditures which may materialize and may not be predictable at the time of this resolution. Such items in A and B may also be relabeled or consolidated during budget preparation each year as may be required to maintain clarity of presentation to the community without affecting this resolution. Regardless of any specific future reallocation of the top line budgeted Condominium Assessment income in items A and B, the treatment of Montgomery Village Foundation assessments in item C may not be changed without written and adopted amendment to this resolution.
4. **Published Budget Assessment Breakdown.** The yearly published budget includes a breakdown of total fees for each class of Unit described in the bylaws. This breakdown must now include amounts for each item in (3) above.

ATTEST: Dinda J. Evans  
 Secretary 9/26/02  
 Date Approved At Open Meeting

BOARD APPROVALS:

Yes  No Lynne G. Schaebeck  
 Yes  No Sally A. Maury  
 Yes  No Mark Shaw  
 Yes  No Dinda J. Evans  
 Yes  No Frank F. Melis



**HERON'S COVE CONDOMINIUM  
RESOLUTION ON POLICIES REGARDING  
MAINTENANCE OF PETS**

**WHEREAS**, Article III, Section 2 of the Bylaws provides that the Board Of Directors shall have all powers and duties necessary for the administration and operation of the Condominium as provided for under the Maryland Condominium Act.

**WHEREAS**, Article III, Section 2(A) of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the care, upkeep, and maintenance of the Common Elements.

**WHEREAS**, Article III, Section 2(I) of the Bylaws states that the Board Of Directors shall have the power to enact uniform rules and regulations from time to time for the use of the property, as well as the conduct and the enjoyment of the unit owners.

**WHEREAS**, It is the intent of the Board Of Directors that the Association shall be in compliance with all local ordinances, including Section 5-203(a) of the Montgomery County Code ("the Code").

**WHEREAS**, It is the desire of the Board Of Directors to enact reasonable and responsible policies to allow for the maintenance of pets by community residents and at the same time to ensure the safety and cleanliness of the community.

**NOW, THEREFORE** be it resolved that the Board Of Directors hereby establishes the following policy regarding the maintenance of pets.

**1. One small, orderly house pet less than 40 pounds.** Heron's Cove Bylaws limit residents to "one small, orderly house pet". This shall be further defined as a cat, dog, or other common household pet under forty (40) pounds in weight. Such pets shall not be maintained for commercial, competitive or breeding purposes.

**2. Use of Common Elements for exercising pets.** The Board Of Directors hereby opens all of the common elements to exercising of pets provided that all rules and regulations of the property and the Code are followed at all times. Specifically, all pet feces must be immediately removed and disposed of by an appropriate, sanitary method. All pets must be leashed or carried while on the common elements. No pet may be left unattended on the common elements or limited common elements whether or not such pet is restrained.

**3. Formal "cease and desist" letter to violators.** When Heron's Cove Condominium's management office receives a letter of complaint regarding the failure of a resident to follow any item of rules (1) and (2) or any other rules of the property or of the Code regarding the maintenance of pets, the pet owner will receive a letter of notice. This letter will state the alleged violation, mandate a cease and desist of the violating actions, and present the measures necessary to abate the violation. The resident will be given ten days to abate the alleged violation.

**4. Executive session for continued violations.** Should the resident not comply with the terms of the cease and desist letter, an executive session will be scheduled with members of the Board Of Directors. Following this hearing, fines may be imposed as follows.

- Fines of up to five dollars (\$5.00) per day may be imposed for continued violations.
- Interest of eight percent (8%) and a standard monthly late charge of fifteen dollars (\$15.00) may be charged on unpaid balances of imposed fines.
- Fines are treated in the same way as common assessments and may be collected through a lien on the owner's unit and other legal action as may be appropriate.

**5. Possible order to remove pet will be issued in the event of continued violations.** Should a violation persist after the executive session as evidenced by further complaints or direct observation, the Board Of Directors may use their authority to order the pet removed permanently from the property. Moreover, a formal complaint may be filed with the Montgomery County Animal Control Board as necessary.

ATTEST: *Ginda J. Stevens*  
Secretary

April 25, 2002  
Date Approved At Open Meeting

**APPROVALS:**

<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<u><i>Lynne G. Scherbeck</i></u> Director
<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<u><i>Greg A. Wangy</i></u> Director
<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<u><i>Mark Shaw</i></u> Director
<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<u><i>Ginda J. Stevens</i></u> Director
<input type="checkbox"/> YES	<input type="checkbox"/> NO	_____ Director

HERON'S COVE CONDOMINIUM  
ADMINISTRATIVE RESOLUTION ON  
CHANGE TO CASH ACCOUNTING

**WHEREAS**, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration of the Condominium as provided for under the Maryland Condominium Act.

**WHEREAS**, Article III, Section 2(L) of the Bylaws states that the Board of Directors shall establish and maintain reasonable reserves for repair and replacement of the Common Elements.

**WHEREAS**, the fiduciary responsibility of the Board of Directors imposes an obligation on the Board of Directors to not allow assets to deteriorate or unduly be exposed to abuse.

**WHEREAS**, it is desirable and mandatory that the Board of Directors establish guidelines pertaining to how, where, and when funds are to be invested.

**WHEREAS**, it is desired by the Board Of Directors, its advisors, and the managing agent to move towards a more readily managed and understood financial reporting structure.

**NOW, THEREFORE** be it resolved that the Board of Directors hereby requests that the following changes shall apply to the accounting structure of the Association on and after January 1, 2001.

1. The managing agent shall maintain and present accounting of the Association on a cash basis. Thus, income shall be recorded when it is actually received and expenses shall be recorded when they are actually paid.
2. To facilitate the separation of capital accounts from operating accounts the following changes shall be made to the *Statement Of Operations*.
  - A. A new line called *Operating Cash Flow* shall be reported which totals all items other than those reported under capital improvements.
  - B. The account titled *Transfers To Reserves* shall be reported under capital improvements and shall not be included in *Operating Cash Flow*.
  - C. A new line called *Interest On Reserves* shall be reported under capital improvements and shall report net realized reserve interest activity for the month.
  - D. A new line called *Fees On Reserves* shall be reported under capital improvements and shall report net realized bank fees, commissions, and other expenses on reserve accounts for the month.
  - E. A new line called *Capital Accounts Cash Flow* shall exist which totals all items reported under the capital improvements section.
  - F. The current net cash flow line titled *Cash Flow* shall be removed.

ATTEST: *J. Davis, Jr.*  
Secretary  
11-30-2000  
Date Approved At Open Meeting

BOARD APPROVALS:

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<u><i>Mark Shaw</i></u>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<u><i>Ignace Friedman</i></u>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<u><i>Byrne Selensbeck</i></u>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<u><i>James A. Muzzy</i></u>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<u><i>J. Davis, Jr.</i></u>

## HERON'S COVE CONDOMINIUM

POLICY RESOLUTION NO. \_\_\_\_\_

### RECITALS

- A. Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all of the powers and duties necessary to the administration of the affairs of the Condominium Association.
- B. The Release of Easements and Substitute Declaration of Easements and Agreements ("Declaration of Easements"), made as of January 28, 1972 by Kettler Brothers, Inc. grants use of certain facilities, including the swimming pool, clubhouse and related facilities ("Facilities") on the property now known as Heron's Cove Condominium during the months of June, July and August to residents of the properties referred to therein as Center Court and Center Stage.
- C. The Declaration of Easements grants rights to Heron's Cove Condominium to establish rules, regulations and conditions to govern the use of the Facilities; and to establish reasonable charges for such use by guests.
- D. The Declaration of Easements provides for the allocation of certain costs among the parties entitled to use the Facilities

NOW THEREFORE, the Board of Directors hereby adopts the following rules, policies and procedures, in accordance with Section 11-111 of the Maryland Condominium Act:

1. Residents of Center Court and Center Stage and their guests will annually share in the use of Facilities during the months of June, July and August, and the three associations will continue to be responsible for their respective shares of all expenses of the Facilities, as provided in the Declaration of Easements.
2. The shares are allocated as follows: Heron's Cove 68%, Center Court 22% and Center Stage 10%.
3. Unit owners and residents of Heron's Cove Condominium have access year round to use of the recreation room and its bathroom facilities, pursuant to the policies, rules and fees set forth by the Heron's Cove Condominium Association.

4. The owners and residents of Center Court and Center Stage have access to the Facilities, including without limitation the recreation room, during the months of June, July and August. The fee for use of the recreation room per event by owners and residents of the three properties is Fifty Dollars. Each use requires a Two Hundred Dollar security deposit which is refundable subsequent to the event if the room remains in the condition it was prior to the event. Fees may be changed at the discretion of the Heron's Cove Condominium Board of Directors. If any damage is found in the room, or if the room is in need of extraordinary cleaning, including without limitation the furnishings or bathroom facilities, payment for repairs and extraordinary cleaning shall be deducted from the security deposit. All checks must be drawn by the Management Office of the resident's property.
5. Each property shall appoint one representative to be responsible for the following:
  - (a) contacting Heron's Cove management personnel with the requested reservation date;
  - (b) collecting the rental fee and the security deposit from the resident;
  - (c) collecting amounts owed because of damage to the recreation room or the other Facilities.
6. Use of the recreation room and its related facilities is governed by the Rules and Regulations set forth by Heron's Cove Condominium Association for the "Party Room" and incorporated herein by reference.
7. Notwithstanding the foregoing, the Heron's Cove Condominium Board of Directors has agreed to allow the Center Court Condominium Board of Directors to have access to the recreation room for their monthly board meetings and annual meetings so long as such use does not interfere with the scheduled events of Heron's Cove. There will be no charge for this limited purpose. Fees may be charged in the future, from time to time, at the discretion of the Heron's Cove Condominium Board of Directors.
8. The Heron's Cove Condominium Management Office is solely available to the management personnel and residents of Heron's Cove Condominium. No part of the business office will be made available to neighboring properties or associations.

Book of Minutes No.     

ATTEST:                       
Secretary

Date: 10/28/99

yes  no

Walter McIndoo  
President

yes  no

Gregory A. Maury  
Vice President

yes  no

Lyone E. Schenbeck  
Secretary

yes  no

Mark Shaw  
Treasurer

yes  no

W. Davis  
Director

Adopted at an open board meeting on 10-28-99

**HERON'S COVE CONDOMINIUM  
ADMINISTRATIVE RESOLUTION ON  
ENFORCEMENT OF ORDERLY AND COURTEOUS  
USE OF PARKING FACILITIES**

**WHEREAS**, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration and operation of the Condominium as provided for under the Maryland Condominium Act.

**WHEREAS**, Article III, Section 2(A) of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the care, upkeep, and maintenance of the Common Elements.

**WHEREAS**, Article III, Section 2(I) of the Bylaws states that the Board of Directors shall have the power to enact uniform rules and regulations from time to time for the use of the property, as well as the conduct and the enjoyment of the unit owners.

**WHEREAS**, Article III, Section 2(K) of the Bylaws states the Board of Directors shall control the use of all common elements, including, but not limited to, designated parking spaces thereon for use by unit owners and/or their guests.

**NOW, THEREFORE** be it resolved that the Board of Directors hereby establishes the following policies to reiterate, formalize, and enforce standing Heron's Cove parking policies.

1. Handicapped parking spaces shall be designated in the quantity and location and with decal required by county and state laws. To the extent possible within the restrictions of such laws, the managing agent shall attempt to designate handicapped parking spaces at locations which benefit community residents with handicapped tags. Additional handicapped parking spaces may also be designated for the potential benefit of such residents upon approval of the Board of Directors. However, designated handicapped parking spaces may be occupied by any vehicle with handicapped tags or placard regardless of any other Heron's Cove parking regulation or inconvenience posed to residents who might have been considered in such designation. Proper use is enforceable by county and state authorities under applicable county and state law. Finally, in compliance with county and state laws and regardless of any other Heron's Cove parking regulation, vehicles with valid handicap tags or placard may be parked in any parking space at any time.
2. For the benefit of Heron's Cove residents and in keeping with standing Heron's Cove policies, resident parking spaces shall be designated by the managing agent in a quantity equal to one parking space per unit (406 total). Such parking spaces shall be located as closely as possible to the condominium buildings. Each such parking space shall be clearly labeled "RESIDENT" with stenciled white or yellow paint at the street side opening to the parking space. The designation of any space may be changed from time to time by the managing agent or the Board of Directors so long as the total quantity of such designated spaces remains unchanged.
3. Commercial vehicles shall not be parked in designated parking spaces as defined in (1) and (2) above. Commercial vehicles shall include mini vans, cargo vans, or pickup trucks used for commercial purposes, step vans, moving and delivery vans, tractor trailer cabs, taxi cabs, tow trucks, vehicles carrying buckets or ladders, and any vehicle with commercial decal. An exception is made for vehicles involved in unit move in and move out activities between the hours of 9:00 AM and 7:00 PM all days.

4. To enforce the proper use of resident designated parking spaces as defined in (2) above, the managing agent shall issue one numbered hang tag to each unit owner. Only vehicles with this hang tag mounted on the rear view mirror or other clearly visible place within the vehicle may park in resident designated parking spaces. Unit owners may grant use of such hang tag to any person including resident tenants or guests for any period of time. Each hang tag number is assigned to a particular unit, not to a person or vehicle. Lost or damaged hang tags will be replaced by the managing agent for a fee set from time to time by the Board of Directors. Such fee shall not be less than \$25 and shall be payable to Heron's Cove Condominium. No person may be in possession of more than one hang tag with identical numbers at any one time.
5. Signs stating in general terms the policies described in (2) and (4) above shall be placed at a minimum of four locations on the property as determined by the managing agent. Additional signs shall also be placed as required to comply with applicable county and state law in the exercise of enforcement policies and procedures which may be adopted by the Board of Directors.
6. This resolution further provides that parking spaces not designated through policies (1) and (2) above remain available for use on a strictly first come, first serve basis by any vehicle belonging to Heron's Cove residents and their guests, unit owners, and staff.
7. Any resident may submit a complaint to the managing agent regarding violations of the policies set forth in this resolution. Such complaints would typically specify that someone known or unknown is parking in a resident designated parking space without a hang tag, is parking a commercial vehicle in a resident designated parking space, or is in possession of more than one hang tag with identical numbers through abuse of policies in (4) above. Action will be taken on such matters through standard Heron's Cove grievance procedures up through and including the levying of fines after a hearing before the Board of Directors. Finally, the Board of Directors shall have the authority to contract with an appropriately licensed towing company to enforce the policies of (1), (2), and (4) above on behalf of the Association through the towing of vehicles under guidelines stipulated by the Board of Directors as may be amended from time to time.

ATTEST: *Florence Lanza*  
Secretary

*June 24, 1999*  
Date Approved At Open Meeting

This resolution was adopted under the provisions of the Maryland Condominium Act, Section 11-111.

APPROVALS:

Yes  No

*[Signature]*  
Director

Yes  No

*[Signature]*  
Director

Yes  No

*[Signature]*  
Director

Yes  No

*[Signature]*  
Director

Yes  No

*[Signature]*  
Director



**HERON'S COVE CONDOMINIUM  
ADMINISTRATIVE RESOLUTION ON POLICIES REGARDING  
THE USE OF PATHWAYS DURING INCLEMENT WEATHER**

**WHEREAS**, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration and operation of the Condominium as provided for under the Maryland Condominium Act.

**WHEREAS**, Article III, Section 2(A) of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the care, upkeep, and maintenance of the Common Elements.

**WHEREAS**, Article III, Section 2(I) of the Bylaws states that the Board of Directors shall have the power to enact uniform rules and regulations from time to time for the use of the property, as well as the conduct and the enjoyment of the unit owners.

**WHEREAS**, It is the desire of the Board Of Directors to enact such reasonable and responsible policies which will provide for the safety of residents and their guests while recognizing budgetary constraints.

**WHEREAS**, It is the intent of the Board Of Directors that the Association shall be in compliance with all local ordinances, including those regarding snow removal.

**NOW, THEREFORE** be it resolved that the Board of Directors hereby establishes the following designations of pathways throughout the property and policies regarding the use of such pathways during inclement weather.

1. **Pathways intended for normal utility.** Such pathways shall include any sidewalk or pathway of permanent construction intended to provide access from the condominium parking lot areas to or from the residential buildings, storage areas, or the clubhouse. Such pathways shall also include those leading from the Little Pond Place to the South Valley Park access road, from Smoothstone Way to the South Valley Park access road, from Smoothstone Way to the foot tunnel under Watkins Mill Road, and from the clubhouse wall adjacent to Stedwick road to the foot tunnel under Stedwick road.
2. **Pathways intended only for recreational use.** Such pathways shall include paved paths leading from 18901 Mills Choice Road to South Valley Park, leading from 19017 Mills Choice Road to the playground area, in and adjoining the playground, and leading from the parking area at 19033 Mills Choice Road.
3. **Snow removal.** In the event of snowfall, snow shall be removed from and treatment shall be applied to all pathways intended for normal utility (1) in accordance with law and local ordinances and with Heron's Cove snow removal policy as may be amended by the Board Of Directors from time to time. In compliance with local ordinances, such treatment shall also be applied to the sidewalk along Watkins Mill Road extending from Stedwick Road to the South Valley Park access road.
4. **Closure of paths.** In the event of snowfall, pathways intended only for recreational use (2) shall be closed for all uses. These paths shall not be cleared or treated in any way.

5. **Signage.** Signs stating "path closed in the event of snow or ice" shall be posted at the entrance to all such paths defined in (4), only on and facing condominium property, and only at locations where the path leaves treated pathways of the property, or as designated by the Board Of Directors from time to time. Such signs must be metallic of at least 8" x 12" in overall size and have dark letters on light background.
  
6. **Compliance With Local Ordinances.** While the Board Of Directors believes that the provisions of this resolution are in compliance with local snow removal ordinances, the managing agent is directed to take such action as required to bring the Association into compliance with the instructions of any official authorized to enforce such ordinances. Should such action be in conflict with a particular provision of this resolution, all other provisions shall still remain in full force and effect.

ATTEST: *Alice Friedman*  
 Secretary

11/29/01      resigned 12/19/01  
 Date Approved At Open/Meeting

**APPROVALS:**

- Yes     No
- Yes     No
- Yes     No
- Yes     No
- Yes     No

*Lynne E. Schubert*  
 Director

*Judy A. Mungy*  
 Director

*Mark Shaw*  
 Director

*Alice Friedman*  
 Director

*Kinda J. Lavane*  
 Director

HERON'S COVE CONDOMINIUM  
ADMINISTRATIVE RESOLUTION ON  
PROCEDURES FOR THE SUBMISSION OF BIDS AND PROPOSALS  
FOR REVIEW BY THE BOARD OF DIRECTORS

WHEREAS, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration and operation of the Condominium as provided for under the Maryland Condominium Act.

WHEREAS, Article III, Section 2(A) of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the care, upkeep, and maintenance of the Common Elements.

WHEREAS, Article III, Section 2(L) of the Bylaws states that the Board of Directors shall establish and maintain reasonable reserves for repair and replacement of the Common Elements.

WHEREAS, Article V, Section 13 of the Bylaws states that all repairs and replacements made to the Common Elements shall be substantially similar to the original construction and installation and shall be of first-class quality.

WHEREAS, the fiduciary responsibility of the Board of Directors imposes an obligation on the Board of Directors to not allow assets to deteriorate or unduly be exposed to abuse.

WHEREAS, it is desirable and mandatory that the Board of Directors establish guidelines pertaining to how, where, and when funds are to be invested.

NOW, THEREFORE be it resolved that the Board of Directors hereby establishes the following policies for submission of bids and proposals for review by the Board of Directors. The following shall apply to all reserve expenditures required for maintenance, repair, and replacement of the Common Elements except those required on an emergency basis.

1. All contractors submitting bids for work requiring reserve expenditures must do so by submission of a proposal to the Board of Directors in response to a written Request For Proposal (RFP).
2. The RFP shall be prepared by the Managing Agent and must be provided to all members of the Board of Directors at least fifteen (15) days prior to distribution to bidding parties. The RFP shall contain specifications for work to be performed and materials to be utilized without ambiguity, thereby **improving the quality of competing bids received and minimizing the potential for disputes between the Association and the contractor. The Managing Agent shall also advise the Board of Directors when it is necessary to retain outside expertise to assist in preparation of the RFP.**
3. A list of contractors to whom the RFP was provided must be distributed to all members of the Board of Directors within (15) days of the distribution.
4. **Proposals from bidding contractors who are proposing work with a bottom line cost of less than seven thousand five hundred dollars (\$7500) may be received informally by the Managing Agent. Copies of all proposals received by the Managing Agent must be distributed to all members of the Board of Directors within fifteen (15) days of receipt.**

5. Proposals from bidding contractors who are proposing work with a bottom line cost of seven thousand five hundred dollars (\$7500) or greater amount must be received in a sealed envelope addressed to the Board of Directors, Mills Choice Condominium, T/A Heron's Cove Condominium. Such proposal must be delivered via U.S. mail to a Post Office Box designated by the Board of Directors. The Chairman and one alternate member of the Board of Directors designated by the Chairman shall be the only parties permitted to access the designated Post Office Box. The Director receiving such proposals must provide copies to all members of the Board of Directors and the Managing Agent within fifteen (15) days of receipt. The receiving Director may delegate the distribution duty to the Managing Agent.
6. The Managing Agent shall advise the Board of Directors if the RFP specifies work which should be considered an alteration or addition to the Common Elements which may also require the approval of unit owners as required by Article V, Section 15 of the Bylaws.
7. Proposals submitted to the Board of Directors which are not submitted in accordance with this Resolution are expected to be disqualified by the Board of Directors. However, the Board of Directors may allow the contractor to resubmit the proposal in accordance with this Resolution.
8. While the terms of this Resolution are expected to be followed by the Board of Directors and the Managing Agent, it is recognized that from time to time unique circumstances may require that an alternate approach be followed in accordance with on the best judgment of the Board of Directors or the Managing Agent. Failure of the Board of Directors or the Managing Agent to adhere to any term of this Resolution shall not invalidate any contract ultimately approved by the Board of Directors on behalf of the Association.

ATTEST: Flourance Lanza  
Secretary

Jan. 28, 1999  
Date Approved At Open Meeting

APPROVALS:

Yes \_\_\_ No [Signature]  
Director

Yes \_\_\_ No [Signature]  
Director

Yes \_\_\_ No [Signature]  
Director

Yes \_\_\_ No [Signature]  
Director

Yes \_\_\_ No [Signature]  
Director

**HERON'S COVE CONDOMINIUM  
ADMINISTRATIVE RESOLUTION ON  
PROCESSING COLLECTION OF OUTSTANDING BILLS  
FOR MONIES OWED THE ASSOCIATION BY AN OWNER/S**

**WHEREAS**, Article III, Section 2(I) of the Bylaws provides that the Board of Directors shall have all powers and duties necessary for the administration and operation of the Condominium;

**WHEREAS**, Article III, Section 2(I) of the Bylaws authorizes the Board of Directors to enact uniform rules and regulations for the use of the property, as well as the conduct and enjoyment of the Unit Owners;

**WHEREAS**, Article III, Section 2(c) of the Bylaws provides the Board with authority to collect common charges and expenses from the Unit owners;

**WHEREAS**, under Article III, Section 2(j) of the bylaws the Board has the duty to enforce obligations of Unit owners, allocating common profits and common expenses, if any, and doing anything and everything else necessary and proper for the sound management of the Property;

**WHEREAS**, Article V, Section 8 of the By-Laws provides in part that "the Board of Directors may impose late charges and/or costs of collection (including reasonable attorney's fees), if any, with respect to any assessment which has not been fully paid when due."

**NOW THEREFORE, BE IT RESOLVED:** that the Board of Directors hereby establishes policies and procedures for the collection of outstanding expenses owed the Association by owners who fail to pay for services or goods provided through the Association as follows:

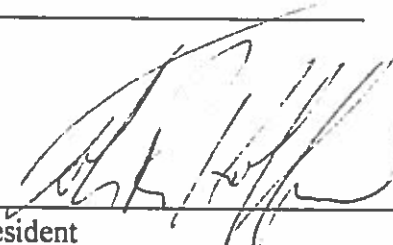
1. Owners are to make payment for outstanding bills owed to the Association within thirty (30) days after receiving an invoice or a late fee of \$15.00 or one tenth of the total amount due, whichever is greater, will be assessed;
2. In the event an owner has not made payment within sixty (60) days or, payment arrangements have not been made and approved by the Board of Directors for services or goods received through the In-Unit Service Program, future services may be denied through the maintenance program until the account is current;
3. When an account remains outstanding after ninety (90) days, owners are subject to sanctions that may include the levying of a fine pursuant to Article III, Section 2(j) of the bylaws, following a hearing held with members of the Board of Directors;
4. Ultimately, if all attempts fail to collect outstanding bill/s from owner(s) in the name of the Association, the Board may file suit in small claims court and/or issue a notice of intent to record a lien and record a lien if authorized under the condominium bylaws, to collect the outstanding charges;

5. The unit owner(s) will be assessed all costs to collect and reasonable attorney fees incurred to collect the outstanding expenses due the Association.


ATTEST: \_\_\_\_\_  
Secretary

DATE: 3/26/98

yes       no

  
\_\_\_\_\_  
President


yes       no

  
\_\_\_\_\_  
Vice President

yes       no

  
\_\_\_\_\_  
Secretary

yes       no

  
\_\_\_\_\_  
Treasurer

yes       no

  
\_\_\_\_\_  
Member at Large

Adopted at an open board meeting on March 26, 1998 in compliance with Maryland Condominium Act, Section 11-111.



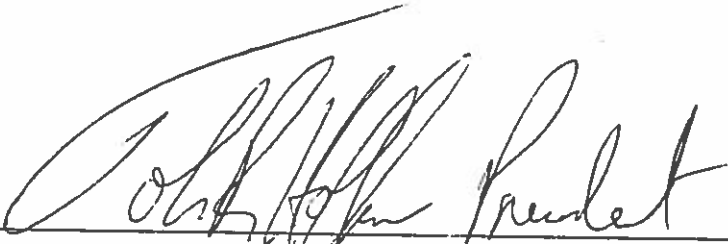
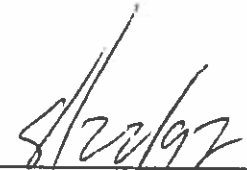

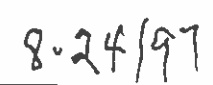

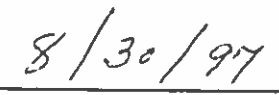
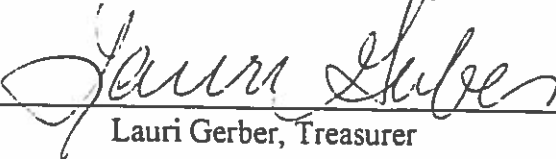
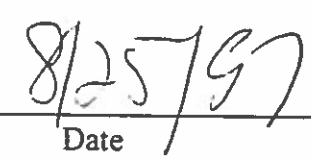

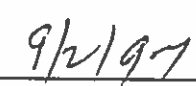
HERON'S COVE  
CONDOMINIUM

19101 MILLS CHOICE ROAD  
MONTGOMERY VILLAGE, MD 20886  
TEL. (301) 948 8885  
FAX (301) 256 8370

**HERON'S COVE CONDOMINIUM  
Financial Resolution**

**WHEREAS**, Article III, Section 2 of the Bylaws provides that the Board of Directors shall have all the powers and duties necessary for the administration and operation of the Condominium;

**NOW THEREFORE, BE IT RESOLVED:** that the members of the Board of Directors approve the allocation of \$164,034 from replacement reserves to unappropriated members' equity to offset the 1994 operating loss.

 _____ John Hoffman, President	 _____ Date
 _____ Gordon Dibble, Vice President	 _____ Date
 _____ Florence Lanza, Secretary	 _____ Date
 _____ Lauri Gerber, Treasurer	 _____ Date
 _____ Morris McFarland, Director	 _____ Date



**HERON'S COVE  
CONDOMINIUM**

19101 MILLS CHOICE ROAD  
GAITHERSBURG, MD 20879  
TEL: (301) 948 8885  
FAX: (301) 258 8370

**HERON'S COVE CONDOMINIUM**

**Administrative Resolution No.**

**Approval / Signature Authority**

**WHEREAS, Article III, Section 2 of the Bylaws provides that the Board of Director shall have all the powers and duties necessary for the administration and operation of the Condominium;**

**WHEREAS, the Board of Directors, by its Resolution, wishes to establish procedures and requirements governing approval / signature authority over the Condominium's operating and reserve accounts / Funds;**

**NOW THEREFORE, the Board of Directors hereby resolves as follows:**

- 1. Authority to sign checks on, or otherwise transfer funds from, the Condominium's operating accounts is hereby delegated to the Condominium's duly appointed managing agent. Such bank accounts shall require the signature of two (2) employees of the agent. All such checks or transfers shall be made pursuant to specific budget and spending authority established from time to time by the Board of Directors.**
- 2. Signature authority to sign checks on, or otherwise transfer funds from, the Condominium's reserve and other non-operating accounts and investments shall require two (2) signatures as follows:**

**SIGNATURES**

	Board of Directors	Treasurer	Managing Agent	Custody of Instrument / Invoice
Purchase Investment Instruments	1	1		Banking Institution Nations Bank
Sell / Redeem Investment Instrument	1	1		N/A
Payment of Recurring Operating Expenditures Over \$2,000.00			1	Management of Hire
Payment of Expenditures of approved reserve withdrawals			2	Management of Hire



3. The approval of obligation of the association including specific contracts and annual budget shall follow the following schedule of authorization and signatures.

	Initial Authorization	Approval of Work	Approval of Payment / Invoices	Preparation of Check	Signature Authorization
Recurring Operating Contracts Over \$1000	BOD	M	M / TREASURER	A	A
No-Recurring Contracts					
• Over \$2000	BOD	M	M / TREASURER	A	A
• Under \$2000	M	M	M / TREASURER	A	A / BOD
Personnel / Payroll	BOD / M	M	M	A	A
Utility	BOD	NDA	M / TREASURER	A	A
Investment Instruments	TREASURER	A	BOD / TREASURER	A	BOD
Bank Charges	BOD	NDA	NDA	DC	N.A.
Non-Recurring Management Costs	BOD	NDA	M / TREASURER	A	A
Petty Cash / Impress Fund	BOD	M	TREASURER	A	A

BOD = BOARD OF DIRECTORS  
A = MANAGING / FISCAL AGENT  
M = ON-SITE MANAGER  
NDA= NOT DETERMINABLE  
DC = DIRECT CHARGE

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

Yes \_\_\_\_\_ No David Miller  
Director

Yes \_\_\_\_\_ No John K. Hoffmann  
Director

Yes \_\_\_\_\_ No W. G. [Signature]  
Director

Yes \_\_\_\_\_ No Jinda Evans  
Director

\_\_\_\_\_  
Yes \_\_\_\_\_ No \_\_\_\_\_  
Director

Approved at an Open Meeting of the Board of Directors Meeting on Nov. 30, 1995.



HERON'S COVE  
CONDOMINIUM

19101 MILLS CHOICE ROAD  
GAITHERSBURG, MD 20879  
TEL: (301) 948 8885  
FAX: (301) 258 8370

**HERON'S COVE CONDOMINIUM  
BOARD OF DIRECTORS' POLICY RESOLUTION NO. \_\_\_\_\_  
Parking of Commercial Vehicles**

**WHEREAS**, Article V, Section 14 (l) of the Bylaws of Heron's Cove Condominium states that no trucks, trailers, campers, camp trucks, house trailers, boat trailers, boats, or the like shall be kept upon any of the Common Elements or within any Parking Unit; provided, however, that the Board of Directors reserves the right to permit such vehicles on the Common Elements in accordance with rules and regulations as may, from time to time, be promulgated by the Board of Directors.

**WHEREAS**, the Board deems it to be in the best interest of the Association to promulgate a resolution setting forth a policy designating the areas to be used for parking commercial vehicles on the property.

**NOW THEREFORE, BE IT RESOLVED THAT** all commercial vehicles\* are to park away from buildings; households with more than one (1) car are required to park excess cars away from buildings except those with designated handicap tags. Owners and residents are responsible for informing their visitors of this rule and securing their compliance.

*\*Commercial Vehicles include: mini vans with lettering, cargo vans, pick up trucks used for commercial purposes, step vans, moving and delivery vans ( except at time of move or delivery), tractor trailer cabs, taxi cabs, and vehicles with commercial lettering; (ladders, buckets, etc. are required to be inside the vehicle; vehicles with truck ladders too long to be stored inside the vehicle are to park on the street; ski, luggage racks are exempt).*

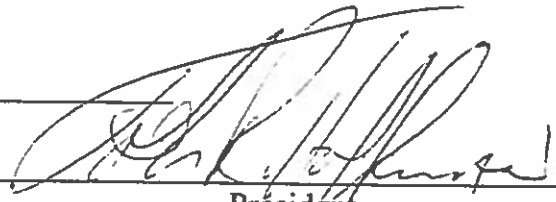


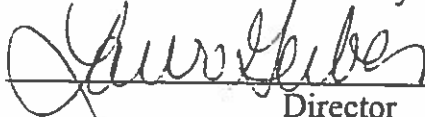
*\*"away from buildings"= along islands; those living along Smoothstone Way would use the Little Pond Place section along side of 18900 Smoothstone Way. AFTER ONE (1) WARNING, VEHICLES WILL BE TAGGED AND TOWED.*

**LET IT FURTHER BE RESOLVED THAT** any resident failing to comply with the bylaws and this policy is subject to: 1). Being fined based on a case-by-case decision of the Board of Directors; and 2). Having his / her commercial vehicle towed off of the property after written notification has been issued.

A policy on parking of commercial vehicles by residents is hereby established by the Board. This Resolution may be amended by the Board with the approval of a majority of the Directors.

ATTEST: \_\_\_\_\_  
Secretary

DATE: \_\_\_\_\_

<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO		_____ President
<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO		_____ Vice President
<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO		_____ Secretary
<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO		_____ Director
<input type="checkbox"/>	YES	<input type="checkbox"/>	NO	_____	_____ Director

Adopted at an Open Meeting of the Board of Directors. Nov. 30, 1995

POLICY RESOLUTION NO.  
HERON'S COVE CONDOMINIUM ASSOCIATION  
POLICY AND GUIDELINES FOR INVESTMENT OF RESERVE FUNDS  
RESOLUTION OF THE BOARD OF DIRECTORS

WHEREAS, Article III, Section 2, of the By-Laws of Mills Choice Condominium trading as Heron's Cove Condominium, hereafter referred to as Heron's Cove gives the power to the Board of Directors necessary to administer the affairs of the Council of Unit Owners.

WHEREAS, Article III, Section 2(f) of the By-Laws states the Board of Directors shall build up and maintain reasonable reserves.

WHEREAS, Article III, Section 2(e) of the Bylaws states the Board of Directors has the power and duty to open bank accounts on behalf of the Association and designate the signouts.

WHEREAS, the fiduciary responsibility of the Board imposes an obligation on the Board of Directors not to allow assets to deteriorate or unduly be exposed to abuse.

WHEREAS, the fiduciary responsibility of the Board of Directors also directs the Board to obtain a maximum safe yield on investment funds while insuring security, safety and availability of funds.

WHEREAS, Title 15-106 of the Annotated Code of Maryland, Fiduciaries, Lawful Investments, limits the type of investments that can be made by fiduciaries.

WHEREAS, it is desirable and mandatory that the Board establish guidelines pertaining to how, where and when funds are to be invested.

WHEREAS, it is desirable for the Board of Directors to comply with the By-Laws of Heron's Cove Condominium and Title 15-106 of the Annotated Code of Maryland.

NOW, THEREFORE be it resolved that the Board of Directors hereby establish the following:

I. INVESTMENT POLICY AND GUIDELINES

The Board of Directors intends the funds to be invested in the following manner:

- A. Funds shall be invested and/or deposited in:
1. Direct obligations to the United States Government such as treasury bills and treasury notes.
  2. Checking accounts, certificates of deposit and money market instruments insured by the Federal Deposit Insurance Corporation (FDIC).
- B. FDIC institutions must meet the following criteria:
1. A return on assets (ROA) of three quarters of one percent (3/4%) or better.
  2. A Capital Ratio of three percent (3%) for thrift institutions.
  3. A Capital Ratio of six percent (6%) or better for commercial banks.
  4. A profit situation in at least two (2) of the last three (3) years that compares favorably with comparable institutions.
  5. An organized financial institution in good standing for five (5) years.
  6. Assets of \$50,000,000.00 or more.
- C. All monies in excess of the operating needs as well as budgetary contributions to reserves will be invested in interest bearing securities in three (3) components defined in terms of liquidity, namely, immediate liquid needs, intermediate needs and long term investments.
1. Immediate Liquid Needs - This component will be invested in interest bearing checking accounts, money market accounts or short term instruments. The immediate liquid needs will be calculated annually by adding five percent (5%) of the annual operating budget, the highest planned monthly cash deficit in the twelve (12) month period to follow and any negative working capital as indicated on the balance sheet at that date. At the time of effectiveness of this resolution, the amount that may be invested in this component will be \$66,000.00.

2. Intermediate Needs - This component will be invested in certificates of deposit and treasury notes with terms of six (6) months to two (2) years. The amount to be invested in this component should be the greater of the capital expenditures planned for one (1) year hence, or, the sum of the capital reserve items with remaining life of less than two (2) years. At the time of effectiveness of this resolution, the target amount that may be invested in this component will be \$247,000.00. Whenever possible, such investment terms will correspond to the anticipated time major expenditures will take place.
  3. Long Term Investments - This component will be invested in certificates of deposit, treasury notes and tax free municipal bonds with terms of one (1) to five (5) years. The amount to be invested in this component will be the remaining funds available for investment after immediate and intermediate needs have been subtracted from the total. At the time of effectiveness of this resolution, the amount that may be invested in this component will be on the order of money investment funds over \$30,800.00.
- D. The Board of Directors understands and accepts the fact that if the insured securities are sold before maturity, a loss of principal could result, however, it is the Board's intention to hold all securities until maturity unless forced to withdraw early due to unforeseen circumstances.
- E. The following investments instruments will not be used or invested by Heron's Cove Condominium:
- o Common or Preferred Stock
  - o Corporate Bonds
  - o Commodities
  - o Options
  - o Futures
  - o Annuities
  - o Partnerships
  - o Mortgages
  - o Mutual Funds
- F. All certificates of deposit and investment accounts will be in the name of the Condominium with the financial agent being the Managing Agent having authorized signature.
- G. Interest earned shall remain as a reserve item and shall be identified as excess reserves.

- H. Investments and/or deposits including accrued interest in any one commercial Bank or Savings & Loan institution should not exceed \$100,000.00 at any one time.

## II. RESPONSIBILITIES OF THE TREASURER

The Treasurer is the principal Board officer responsible for:

- A. Condominium funds and securities and will serve as liaison with the Managing Agent. All investments of reserve funds activity will be pre-approved and directed by the Treasurer with full Board approval. In the event the Treasurer is not available, the President shall act in his/her capacity.
- B. The treasurer has the authority to act within the guidelines of this resolution to direct the Managing Agent to purchase negotiable securities on behalf of Heron's Cove Condominium with majority Board of Directors' approval.
- C. The Treasurer and the Managing Agent have the responsibility to keep the Board informed of the status of investments.
- D. The Treasurer, in consultation with the Managing Agent, will develop a schedule showing the spread of security maturities. This schedule will maximize the return, assure availability of cash to pay budgeted approved and capital expenditures and be within the guidelines of this resolution. This schedule will be presented to Board of Directors for majority approval.

## III. RESPONSIBILITIES OF THE MANAGING AGENT

The agreement and contracts between Heron's Cove Condominium and the Managing Agent should provide for the responsibility of investment management to include the following:

- A. Maintain records of all investment funds and report with part of the monthly financial statements the status of all investment accounts after receiving majority of Board of Directors' approval.
- B. Consult with the Treasurer in advance of any pending closed transactions and act on the Treasurer's directions.
- C. Be available to answer questions posed by the Board or the Treasurer concerning investment options and status of investments.



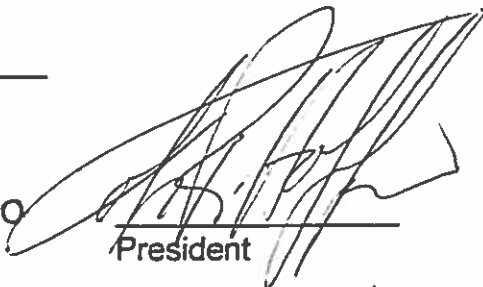
- D. Open up bank accounts and purchase investments within the guidelines of the Board resolution on investment guidelines. The authority to open bank accounts and purchase investments should be only after specific approval of the Treasurer along with majority of Board of Directors' approval.

IV. EFFECTIVENESS AND IMPLEMENTATION OF THIS RESOLUTION

This resolution will be effective immediately. Actual implementation will depend on the maturity dates of existing investments. None will be sold before their maturity in order to implement this policy. The sequence to be followed will ensure first the immediate liquid needs and second the inter-mediate needs. Subsequently, the schedule of investments will be reviewed annually in June of each year.

ATTEST   
Secretary, Board of Directors

DATE 4/26/95

YES     NO   
President

YES     NO   
Vice President

YES     NO   
Treasurer

YES     NO   
Director

YES     NO   
Director

VI. RECOMMENDED INVESTMENT PORTFOLIO

The total cash funds available during the next year for Heron's Cove Condominium is estimated as follows:

December 3, 1993 Investment Balances	\$188,000.00
Additions Next Year	106,173.00
Estimated Withdrawals	209,000.00
Estimated Ending Balance	85,000.00

Following is the recommended investment terms for Heron's Cove Condominium:

A. IMMEDIATE

Operating cash, Money Market, sixty (60) day Certificate of Deposit.

Five percent (5%) of Operating

\$1,116,402.00 x 5% = \$55,820.00

Highest Planned Cash Deficit 10,000.00

Negative Working Capital 0.00

TOTAL IMMEDIATE NEEDS \$65,820.00

B. INTERMEDIATE

Sixty (60) days to one (1) year Certificate of Deposit or Treasury Bills

Next Two Years Capital Needs \$241,596.00

C. LONG TERM

One (1) to five (5) year Certificate of Deposit, Treasury Notes or Municipal Bonds

REMAINING FUNDS \$0.00

Heron's Cove

Administrative Resolution No. \_\_\_\_\_

IN-UNIT INSPECTION PROGRAM

WHEREAS, Article III, Section 2, assigns to the Board of Directors all those powers and duties of the Maryland Condominium Act Section 11-109 not specifically reserved to the Council of Unit Owners which are necessary for the administration of the affairs of Heron's Cove;

WHEREAS, Article III, Section 2 grants the Board the power necessary to operate, care for, and maintain the common elements; and

WHEREAS, Article V, Section 23 permits the Board or its designee to maintain a right of access to units for the purpose of performing inspections; and

WHEREAS, Article V, Section 13 requires each unit owner to attend to the maintenance, repair and replacement of the unit facilities and systems at the owner's expense; and

WHEREAS, Article V, Section 12 permits the Board or its designee to enter a unit and abate any condition which breaches any provision of the Declaration, Bylaws, or Rules and Regulations of Heron's Cove at the expense of the defaulting unit owner; and

WHEREAS, the Board further desires, for the benefit of the Council of Unit Owners, to establish an in-unit inspection program so as to allow the Council of Unit Owners to protect and preserve the common elements and to facilitate prompt repairs and energy conservation within a unit; and

WHEREAS, it is necessary to establish guidelines and procedures for the delivery of such services;

NOW, THEREFORE, BE IT RESOLVED THAT the following policies and procedures are hereby adopted:

## I. PURPOSE

To establish a program of unit inspections to determine if conditions exist which might damage common elements or waste Council of Unit Owners resources.

## II. PROCEDURES

1. All unit owners and residents will be given advance notification (at least 10 days) of the inspection date, by regular mail and/or hand delivery. Inspections will be performed between 9:00 am and 5:00 pm, Monday through Friday. Owners and/or residents have the right to be present during this inspection.

2. All items on Attachment A, which may be changed at management's discretion, will be inspected. REQUIRED maintenance and repairs will be noted on the form.

3. If items require necessary and immediate maintenance, written notification will be submitted, by regular mail and/or hand delivery, to the Unit owner requesting compliance within 15 days upon receipt of notification. An extension (without precedental value) may be granted at the discretion of management depending on type and urgency of repair. A request for an extension must be received by management in writing no later than 15 days from the date of the original notification.

4. Units in which defects were noted will be reinspected to ensure that the necessary repairs have been made, after notification to the unit owner.

5. Upon reinspection, cited conditions that have still not been corrected will be abated by management pursuant to Article V, Section 11. Unit owners will be charged for such repairs and, if the costs incurred are not paid, they will be charged against the unit.

6. Management reserves the right to abate any emergency condition, at the expense of the defaulting unit owner, which constitutes a breach of the Bylaws, Article V, Section 12.

7. The Board has no duty to the unit owner, occupant, guest or invitee and assumes no liability or responsibility for any injury to person or property resulting from a failure or omission of the Board's agent to detect and/or inform the unit owner of any defects whatsoever in the unit, or in the common elements, whether latent or otherwise


which might be, or have been, observed or discovered upon inspection.

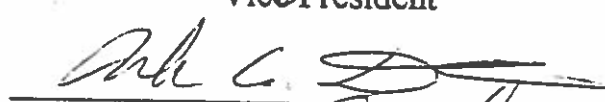
An in-unit inspection program is hereby established by the Board. This Resolution may be amended by the Board with the approval of a majority of the Directors.

ATTEST:   
Secretary

DATE: 3-22-95

YES  NO \_\_\_\_\_  
President

YES  NO   
Vice President

YES  NO   
Secretary

YES  NO   
Director

YES  NO   
Director

Adopted at an Open Board Meeting.

**THE HERON'S COVE CONDOMINIUM  
BOARD OF DIRECTORS RESOLUTION NO. \_\_\_\_  
PROCEDURES GOVERNING MEETINGS OF THE BOARD OF DIRECTORS**

**WHEREAS, Article III, Section 2 of the Bylaws of the Mills Choice Condominium trading as Heron's Cove Condominium, hereby referred to as Heron's Cove ("By-laws) provides that the Board of Directors shall exercise the powers and duties necessary for the administration of the affairs of the Heron's Cove Condominium and may do all such acts and things which are not by the law, the Master Deed, Articles of Incorporation or Bylaws directed to be exercised or done by the members;**

**WHEREAS, Article III, Section 8 of the Bylaws requires that the Board of Directors meet at least two times during the course of the fiscal (calendar) year and that certain notice must be provided to each director concerning the dates and times of the Board meetings;**

**WHEREAS, Article IV, Section 4 of the Bylaws states that the President shall preside at all meetings of the Board and that the President shall have all the general powers and duties which are usually vested in that office;**

**WHEREAS, pursuant to Article III, Section 2(i) of the Bylaws and Section 11-113 of the Annotated Code of Maryland, Real Property Article ("Condominium Act") the Board is entitled to promulgate rules and regulations in connection with its administration of the condominium project; and**

**WHEREAS, the Board deems it to be in the best interest of the Council and to the orderly conduct of business at the Board of Directors meetings to promulgate the following rules and regulations outlining certain procedures and guidelines associated with meetings of the Board of Directors.**

**NOW THEREFORE, be it resolved that the following procedures be enacted;**

- 1. The Board of Directors shall meet monthly and hold meetings during the course of the fiscal year at a date each month designated in advance by the Board of Directors.**
- 2. Should the Board adopt a regular schedule of Board meetings, such meetings shall be announced in advance (e.g., third Wednesday of the month) by public posting, circular, newsletter or mailed notice. Should nonregular meetings be needed, notice shall be provided to the unit owners at least seventy-two (72) hours in advance of the meeting by the same means set forth for notice of the regular meetings.**

**3. Meetings of the Board of Directors shall be open to all unit owners, tenants, their guests and members of the news media as provided by Section 10B-16 of the Montgomery County Code.**

**4. Robert's Rules of Order, 1990 edition, shall, as amended, determine the parliamentary procedures to be followed at all regular Board meetings where not in conflict with state or local statutes, ordinances or the Rules and Regulations of the Council.**

**5. The Board of Directors may convene in closed session for any of the reasons set forth below:**

**(A) discussion of the employment, assignment, appointment, promotion, demotion, compensation, discipline, removal, or resignation of an employee over whom the association has jurisdiction, or any other personnel matter affecting a particular individual;**

**(B) protection of the privacy or reputation of individuals in matters not related to association business;**

**(C) consultation with legal counsel;**

**(D) consultation with staff, consultants, attorneys, or other persons in connection with pending or potential litigation;**

**(E) investigative proceedings concerning possible or actual criminal misconduct;**

**(F) complying with a specific constitutional, statutory, or court ordered requirement protecting a particular proceeding or matter from public disclosure;**

**(G) on an individually-recorded affirmative vote of two-thirds of the members present, for another exceptional reason so compelling as to override the general public policy in favor of open meetings;**

**(H) acquisition of capital items previously specifically approved as part of a published budget adopted in an open meeting;**

**(I) discussion of short-term investments of funds of the association in liquid assets if authorized by an investment policy previously adopted in an open meeting;**

**(J) conducting collective bargaining negotiations or considering related matters and issues; or**

**(K) discussions concerning public security, including the deployment of personnel and the development and implementation of emergency plans.**

**6 A quorum of the Board of Directors constitutes a majority of the entire Board of Directors.**

**7. Unless otherwise decided by a majority vote of the Board of Directors, the agenda for each Board meeting (other than a special Board meeting) is as follows:**

- 1. Homeowner Forum**
- 2. Board Meeting**
- 3. Commencement/Call to Order**
- 4. Designation of quorum**
- 5. Approval of minutes from previous meeting**
- 6. General reports: Treasurer/Management/Committees/Legal**
- 7. Old business**
- 8. New business**
- 9. Adjournment**

**8. Oral comments from unit owners will be permitted during homeowner forum immediately before the regular Board meeting provided the unit owner/resident, at least three days before the meeting, has provided the On-Site Manager with a written request to speak which describes with particularity the issue he or she wishes to address before the Board. Oral comments during homeowner forum shall be limited to a total of five minutes per speaker with the number and order of speakers to be at the discretion of the presiding officer. The Board may suspend any homeowner forum or any time limit imposed therein, should time or circumstances, warrant such suspension.**

**9. With the exception of comments made during any homeowner forum, oral comments at the meetings of the Board of Directors shall be limited to comments from the Board members, management and the other professionals or guests of the Board of Directors. Comments from other individuals shall be received at the discretion of the presiding officer. Written comments from non-Board members may be submitted to the Board through the Secretary or other designee of the Board within twenty-four (24) hours of adjournment of the meeting but such comments will not be included in the meeting minutes unless relevant to a business issue/decision before the Board**



and if such inclusion within the minutes is deemed appropriate by the Secretary and a majority of the Board of Directors.

10. Tape recorders, video cameras or similar recording devices will not be allowed in any meeting of the Board of Directors.

11. Interrupting the proceedings of the Board of Directors and or making oral interjections without being recognized to speak by the presiding officer is prohibited and, after a warning by the presiding officer, the individual speaking or making interjections without recognition may be directed to leave the meeting at the discretion of the Board.

12. Committee reports and recommendations/requests for direction shall be provided in writing the week prior to the Board meeting for inclusion in the Board package as directed by the presiding officer. For consistency and clarity, the written report of the Committee may be required to be submitted on a standard form report as promulgated by the Board. Oral reports from the Committee Chair will be allowed at the Board meeting if the Committee is submitting recommendations to the Board for action.

13. These Rules and Regulations supersede and control any prior or conflicting resolutions or terms.

BE IT RESOLVED this 8<sup>TH</sup> day of AUGUST, 1994.

Book of Minutes No.     

ATTEST: Mark G. Elin  
Secretary

Date: 8/8/94

yes  no Marvin G. Taylor  
President

yes  no Gordon K. Dibble  
Vice President

yes  no Mark G. Elin  
Secretary

yes  no John H. Hoff  
Treasurer

yes  no Pat Blev  
Director

Adopted at an open board meeting on 7/20/94

**HERON'S COVE CONDOMINIUM**

**ADMINISTRATIVE RESOLUTION NO. \_\_\_\_**

**VALUES AND GOALS OF THE BOARD OF DIRECTORS**

**WHEREAS, Article III, Section 2, of the Mills Choice Condominium (trading as Heron's Cove Condominium, hereafter referred to as Heron's Cove), Bylaws declares that "the Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Condominium Project"; and**

**WHEREAS, the Board of Directors is, entrusted with the responsibility of operating, caring for, and protecting the Heron's Cove Condominium to protect, preserve, and enhance the value of the property; and**

**WHEREAS, the Board of Directors is responsible to all unit owners equally;**

**NOW THEREFORE, BE IT RESOLVED: That the members of the Board of Directors agree to discharge their duties, in good faith and with diligence, honesty, and care, within the following terms of reference:**

**I. RESPONSIBILITY**

**A. Our fundamental responsibilities are to:**

- 1. defend and protect the present and future interests of the Heron's Cove Condominium as a whole.**
- 2. protect the assets of the Heron's Cove Condominium. This requires us to:**
  - (a) detect and confront incipient problems early and take needed actions. The assets of the Heron's Cove Condominium must not be allowed to deteriorate;**
  - (b) refrain from unduly exposing assets to abuse, theft, or misuse;**
  - (c) refrain from speculating, experimenting, or taking risks with Heron's Cove Condominium assets;**

**(d) base decisions on factual evidence or professional advice and consultation as necessary.**

**(e) seek top value for the expenditure of Heron's Cove Condominium funds.**

**3. fulfill Fiduciary Duties. This means that we:**

**(a) owe a duty of care in all our activities as representatives of the community; we are legally required to exercise the same degree of care and skill that an ordinarily prudent director of a similar business would exercise;**

**(b) owe a duty of undivided loyalty and honesty; and,**

**(c) have a responsibility not only to provide preventive maintenance of the buildings and grounds and to ensure sound financial management, but also to help maintain and enhance the qualitative aspects of the community.**

**B. In discharging these responsibilities, we will:**

- 1. provide leadership, vision, policy and guidance for the Heron's Cove Condominium as well as management, in keeping with the Heron's Cove Condominium's governing documents, but will refrain from being drawn into management functions except where deemed necessary by a quorum of the Board of Directors; participation in management functions (unless deemed necessary) would make it impossible for us to evaluate, etc.;**
- 2. aim for fairness and reasonableness in all policies, procedures, rules, and regulations;**
- 3. abide by the sunshine laws of the county and the state and carry on the decision-making processes of the Board in open session, except in matters involving personnel, litigation (actual or pending), or the reputations of individuals;**
- 4. encourage free and open communication among residents, owners, and management;**
- 5. maintain discretion regarding Board matters in communicating with the other members of the Association; and**

6. refrain from using our positions for personal gain or profit, or from using the Heron's Cove Condominium resources for purely personal benefit.

## **II. EDUCATION FOR SERVICE ON THE BOARD OF DIRECTORS**

- A. Soon after becoming a member of the Board of Directors, each of us will become thoroughly familiar with the Heron's Cove Condominium governing documents and business affairs.
- B. Within six months of becoming a member of the Board of Directors, each of us will take courses, seminars and educational opportunities offered by Trade Grounds, adult education and the managing agent and/or Heron's Cove Condominium's legal counsel or their equivalents, on the responsibilities of condominium Board members.

## **III. MEETINGS OF THE BOARD OF DIRECTORS**

- A. In attending meetings of the Board of Directors, we will:
  1. make a concerted effort to attend every Board meeting;
  2. arrange our schedules to allow us to arrive on time; and,
  3. come prepared to do business by having already read the management report, the minutes, and other documents or proposals to be discussed at the meeting.
- B. In conducting meetings of the Board of Directors, we will:
  1. keep personality conflicts from entering into or affecting the conduct of business;
  2. practice good listening skills and good communications skills, both in discussions among board members and in discussions between board members and members of the audience.
  3. use standard parliamentary procedures to keep appropriate control of the meeting and make the most effective use of time for productive meetings.

Book of Minutes No. \_\_\_

ATTEST: *Mark C. D...*  
Secretary

Date: 9/8/94

yes \_\_\_ no *Mayumi L. Taylor*  
President

yes \_\_\_ no *Gordon K. Diller*  
Vice President

yes \_\_\_ no *Mark C. D...*  
Secretary

yes \_\_\_ no *...*  
Treasurer

yes \_\_\_ no *Pat Blum*  
Director

Adopted at an open board meeting on 7/20/94

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**HERON'S COVE CONDOMINIUM  
BOARD OF DIRECTORS RESOLUTIONS NO. \_\_\_\_  
GRIEVANCES PROCEDURE**

**WHEREAS, Article III, Section 2 of the Bylaws of the Mills Choice Condominium trading as Heron's Cove Condominium, herein referred to as Heron's Cove ("By-laws) provides that the Board of Directors shall have and shall exercise the powers and duties of the Association"; and**

**WHEREAS, the Board deems it to be in the best interest of the Association to promulgate a resolution setting forth the procedure by which the Board will address grievances raised by unit owners and residents.**

**NOW, THEREFORE, BE IT RESOLVED THAT:**

**The following procedures be enacted by the Board.**

**1. Any grievance which a unit owner or resident would like to have addressed by the Board must be submitted to the Board via the site manager in a written statement. The written statement must set forth and detail the grievance with particularity. If the grievance involves a violation by another co-owner or resident, of the Master Deed, Bylaws, or Rules and Regulations, the written statement shall include:**

- (a) The nature of the violation;**
- (b) The time and place the violation was alleged to have occurred;**
- (c) Any witnesses to the violation; and**
- (d) Identification of party violating the Master Deed, Bylaws or Rules.**

**2. The Board will review the written statement and, at its sole discretion, may schedule a hearing before the Board to discuss the grievance.**

**3. The complaining unit owner or resident, if different from the unit owner ("Complainant") will be sent a written notice within 45 days of receipt of the grievance stating the date and time of the hearing at which the grievance will be addressed, or informing the Complainant that the Board declined to conduct a hearing, or that it requires further information.**

4. At the hearing, the Complainant will be given an opportunity to orally present the grievance within the parameters outlined by the Chairperson of the Board at the beginning of each hearing.

5. The Board may, invite any party or parties who are alleged to have violated the Master Deed, By-Laws or Rules.

6. Within 30 days of the date of any hearing held pursuant to this resolution, a written notice of the results of the hearing and action, to be taken will be sent to the Complainant.

7. Any resident or unit owner may request a rehearing on the grievance within ten (10) days of the date of the notice of the hearing results by submitting a written request to the site manager's office. The decision to grant a re-hearing shall be decided by a majority of the Board of Directors.

8. A decision pursuant to these procedures shall be appealable to the Maryland courts.

Book of Minutes No. \_\_\_

ATTEST: \_\_\_\_\_  
Secretary

Date: 8/31/94

yes     no

*Wayne B. Taylor*  
President

yes     no

*Gordon K. Dobb*  
Vice President

yes     no

*Al. G. [Signature]*  
Secretary

yes     no

*[Signature]*  
Treasurer

yes     no

\_\_\_\_\_  
Director

Adopted at an open board meeting on 8/24/94



RESOLUTION FOR THE ANNUAL BUDGET

HERON'S COVE CONDOMINIUM

WHEREAS, Article III, Section 2(b), of the Bylaws of Mills Choice Condominium, trading as Heron's Cove Condominium hereafter referred to as Heron's Cove, empowers the Board of Directors of Heron's Cove Condominium to determine the common expense required for the affairs of the Association; and,

WHEREAS, Article III, Section 2(e) states the powers and duties of the Board of Directors to establish reasonable reserve funds for the repair and replacement of the common elements; and

WHEREAS, Article V, Section 1(a) Determinations of Common Expenses and Funding of Charges outlines what the common expenses of the Association shall be; and

WHEREAS, Article V, Section 3, Reserves outlines that the provision for adequate reserve buildup should be part of the annual budget including working capital, contingencies, periodic repair and replacement and insurance deductible.

WHEREAS, the Declaration of Reciprocal Easements, Covenants and Related Agreements, Agreement 4 page 5 outlines the budgeting of the Shared Facilities jointly shared by Mills Choice Condominium and MC II Condominium.

WHEREAS, Section 11-109.2 Annual Proposed Budget of the Title 11 of the Annotated Code of Maryland - Real Property, Maryland Condominium Act, states the annual proposed budget should be prepared and submitted to the unit owners at least thirty (30) days before its adoption at an open meeting of the Board of Directors.

WHEREAS, there is a need to provide a sound financial plan for the Association; and,

WHEREAS, it is the desire of the Board of Directors to establish a consistent method of calculating the annual operating budget, the capital reserve schedule and contributions to reserves and the annual assessment; and,

WHEREAS, it is the desire of the Board to establish a clear understanding as to the responsibility for preparation of the budget, review and recommendation of the proposed budget and the approval of the budget and assessment; and,

WHEREAS, the Board wishes to ensure compliance with the time frame in Article V, Section 2, of the Bylaws, Preparation and Approval of the Budget; and,

WHEREAS, the Board would like to establish clear definitions, time frame, responsibility, and methodology in the preparation of the annual budget.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby establishes the following:

I. Definitions:

- A. Annual Assessments - The amount set as the responsibility of the unit owners for payment of operating and reserve expenses. Determined by subtracting other income from the expense and reserve budget.
- B. Budget - The amount approved by the Board of Directors annually to pay for common expenses.
- C. Capital Reserves - Funds set aside for future major repairs, replacements and renovations to the buildings, equipment and systems--includes depreciation as set forth in the Capital Reserve budget and/or financial books and records of the condominium.
- D. Common Charges (also known as common expenses) - Those operating expenses, reserve contributions, and depreciation of assets not covered by Capital Reserves, as set forth in the Budget and/or financial books and records of the condominium, expended to maintain the common elements, provide for condominium services and operate facilities.
- E. Straight-line (Uniform) Depreciation - A non-cash operating cost that records as an expense the reduction in value of a capital item on the books and records of the Condominium Association over the computed/expected useful life of the capital item.
- F. Expense - An obligation of the Condominium Association that is a current operating cost.
- G. Fiscal Year - January 1 through December 31 each year. The budget and financial statements will conform to this time period.
- H. Income - Funds received by the Condominium Association that are recorded on the books and records of the Condominium Association.
- I. Improvements - An expense that is an improvement or addition to the common elements which did previously exist as a capitalized item or item charged against reserves.
- J. Maintenance Expense - An expense that is used for the repair and preservation of existing equipment, structure, buildings, and common grounds of the Condominium Association.

- K. Withdrawals from Capital Reserves - An expenditure of funds for items which are funded from the capital reserves.
- L. Working Capital Funds - The current assets on the books and records of the Condominium Association less the reserve funds and the current liabilities.
- M. Undesignated Operating & Surplus Fund - The amount of equity or fund balance of the Condominium Association that is not designated for capital reserves. This is the accumulation of prior surplus and contributed capital less prior deficits.

II. TIME FRAME/RESPONSIBILITY

The following time frame shall be designated for the annual preparation of the budget. Additional meetings of the Board and various committees will take place each year other than what is listed below. However, the following will be the major events and dates pertaining to the budget process:

- JUNE - Recommendation by on-site management of administrative and maintenance budget for upcoming year.
- JUNE - Review of capital reserve schedule by on-site staff and managing agent.
- JUNE - Capital Reserve scheduled prepared by managing agent.
- JUNE- Recommendations on specific and general operating and capital items to be made in writing by various committees.

SECOND WEEK OF JULY

- Presentation of the draft budget including the Shared Facilities Budget, if any, by the managing agent to the Financial Advisory Committee and the Board of Directors, for their review.

JULY/AUG 21

Financial Advisory Committee reviews, makes and recommends changes.

LAST WEEK

- AUG - Shared Facilities Budget submitted to the MC II.

FIRST WEEK

- SEPT - Shared Facilities Budget accepted by MC II.

THIRD WEEK

SEPT - Draft Budget with Financial Advisory Committee's and Board of Director's final recommendations and Shared Facilities Budget submitted to Board of Directors.

FIRST WEEK

OCT - Announcement to the unit owners of the public hearing providing 30-day notice as required by State law, including distribution of draft budget.

FIRST WEEK

NOV - Public hearing on the budget conducted by the Board of Directors.

SECOND WEEK

NOV - Revise draft budget as necessary based on outcome of public hearing and suggestions made.

THIRD WEEK

NOV - Adoption of the budget by the Board of Directors.

DEC 15 - Communication of final, adopted budget and notice of assessment for each individual's fee along with payment coupons to the owners.

JAN 1 - Beginning of fiscal year.

III. METHODOLOGY

A. Utilities - Utility schedules will be prepared for each and every utility meter showing the history of usage, and estimated usage for the upcoming fiscal year based on prior year history applied to the current and projected utility rate schedules. The rate schedules will be adjusted upward or downward depending upon the economic forecast and trends of utility costs. Electrical, gas and oil usage for air conditioning and heating will be adjusted to normal weather conditions.

The calculations of the utility costs and the maintenance of a utility history tracking system is part of the on-site computer program.

B. Personnel - Personnel costs will be included within each major subcategory in the chart of accounts but the analysis and back up calculations will be included in a separate section. Salary and wages presentation will be by spread sheets which will identify each and every position by job title listing increase over current base wage that will take into consideration overtime, increases in salary, year-end bonuses, sick leave and other contingencies that normally affect salary cost.

Individual payroll taxes such as Social Security, unemployment, Worker's Compensation as well as uniforms, insurance, staff quarters, allowances, training costs and miscellaneous personnel costs will also be detailed.

The calculations for each individual payroll category will be based upon present and anticipated taxing rate and cost.

Accompanying the draft of the budget will be an analysis by line item of personnel costs of other community associations similar to Mills Choice Condominium.

- C. Income, Administrative Expenses and Social and Recreation Expenses - These categories will be calculated based upon income and expense history for the past three years, as well as estimates of equipment and structural conditions, economic conditions, contract obligations and cost projection for the coming fiscal year.
- D. Capital Reserves - The capital reserve contributions will be based upon a detailed analysis of all capital items subject to capital reserve funding. For purposes of the draft budget each element of the common elements of the condominium association that will be subject to capital reserve funding will be identified.

A capital reserve or replacement item is an item which would be subject to an expenditure for repair, replacement, major renovation or overhaul. This expenditure or cost would be over \$2,500.00, would benefit the condominium for more than one year, would extend the useful life of the component, and is non-recurring on an annual basis.

There are certain components which, as a category, are likely to last the life of the project. If these components are considered structurally sound and in good condition, a cap can be established at 50 percent of the total required funding.

If a major expenditure does not fall within this definition and the specific item that is being repaired, replaced or improved is not listed on the capital reserve schedule then that cost would either be a maintenance cost or an improvement cost and accounted for totally within the year the expenditure takes place.

Reserve funds can be set aside in the future for newly planned major improvements to the common property, eg. addition of tennis courts, a second pool or classical gardens.

The capital reserve schedule will show the following items: a description of each component, the normal life, the age, the remaining life, the current replacement cost base, the amount of reserve funds as of the last day of the fiscal year already set aside in the reserve funds for that item, and the annual budget for each item of capital reserves.

The formula used for determining the amount to be reserved for each item would be the current replacement cost basis, less the amount already reserved for that particular item, divided by the remaining useful life.

The current cost basis of the items in the reserve budget will be based on an analysis/survey performed by a professional engineering firm. The cost basis will be changed or adjusted each year based upon the updated costs for all reserve items and new replacement cost/revised anticipated remaining useful life information on those items that have been maintained, renovated, repaired and overhauled during the year.

The cost basis will be evaluated each year and adjusted based upon known conditions or cost estimates; or, in the absence of additional information since the last year's budget was prepared the cost base will be increased by the percentage change in the Consumer Price Index (CPI).

Capital reserves will be calculated under the assumption that interest earned on capital reserve funds will be applied to the capital reserves. The net after interest is applied will be the expense shown on the operating budget for capital reserve contributions.

- E. Assessment - After completion of the operating expense budget the estimate for miscellaneous income other than assessment will be subtracted from the total expense budget and the remaining balance will be used as the total assessment necessary for operations. Individual unit assessments will be computed based on the total assessment and the percentage ownership interest relative to the whole.
- F. Working Capital Funds - The amount of working capital funds shall be equal to an amount equal to the largest monthly deficit projected for the fiscal year plus five percent (5%) of the annual budget. If the working capital does not equal this amount a line item "working capital replacement" should be added to the budget equal to the estimated year end working capital subtracted from the targeted working capital less the budgeted depreciation expense.

- G. Capital Item - An expenditure of more than \$3,500.00 for an item that would benefit the Condominium for more than one year and does not currently exist; or, an improvement to an existing capital item. These items are not funded from capital reserves, but will be funded from working capital and will be subject to annual depreciation. These items will also be added to the replacement reserve schedule in the year following the purchase in order to reserve for their future replacement.
- H. Unforeseen Contingency Expense - An amount, to be determined annually, will be included in the expense budget to cover unforeseeable contingencies such as higher than average utility cost, extra snow removal, leaks, electrical shorts, etc.
- I. Prior Deficit - This line item is to cover/repay prior operating deficits.

Book of Minutes No. \_\_\_\_\_

ATTEST: *M. G. P.*  
Secretary

7/26/94  
Date

yes     no    *Marylou Taylor*  
Director

yes     no    *Golden K. K...*  
Director

yes     no    *John Hoffmann - Vice President 7/22/94*  
Director

yes     no    *John Hoffmann - Treasurer 7/22/94*  
Director

yes     no    *M. G. P.*    SECRETARY  
Director

Adopted at the 06/15/94 Board Meeting

**HERON'S COVE CONDOMINIUM  
BOARD OF DIRECTORS RESOLUTION NUMBER \_\_\_\_**

**MAINTENANCE RESPONSIBILITIES  
DUTIES TO MAINTAIN**

**WHEREAS, Article III, Section 2 of the Bylaws of the Mills Choice Condominium trading as Heron's Cove Condominium, herein referred to as Heron's Cove ("By-laws") provides that the Board of Directors shall have and shall exercise the powers and duties of the Association; and**

**WHEREAS, Article V, Section 10, authorized the Board of Directors to purchase on behalf of the Condominium Association insurance that covers physical damage to the entire Condominium including the unit; and**

**WHEREAS, said insurance policies normally contain a provision known as a deductible wherein the insurance policy does not cover a certain amount of the total damage;**

**WHEREAS, Article V, Section 4(a) of the Bylaws states that the unit owners association shall be responsible for the maintenance repair and replacement to the General Common Elements.**

**WHEREAS, Article V, Section 4(b) of the Bylaws states that it is the unit owner's responsibility to maintain in good repair and maintenance the interior of his or her unit and any limited Common Elements assigned to such unit as defined in the Declaration.**

**WHEREAS, the Board deems it necessary to establish a policy further clarifying maintenance responsibilities of the Condominium Association;**

**NOW, THEREFORE, BE IT RESOLVED that the owner of a unit in which damage occurs which affects no other unit or the common elements, shall be responsible for paying all costs for the repair of such damage not covered by insurance.**

**LET IT FURTHER BE RESOLVED THAT it shall be the HERON'S COVE CONDOMINIUM Unit Owners Association responsibility to pay all expenses for the repair and maintenance and restoration of damage that is not covered by the Master Insurance Policy for all areas of the building known as the General Common Elements.**

**The provisions of this resolution apply to physical damage to the common elements and/or units, not to damage to any personal property.**

**There are times, depending upon the circumstances, when the Condominium Association is solely responsible for damage inside a particular unit.**



It will be the Condominium Association's responsibility if this damage is caused by the failure of the common plumbing lines of the hot water and/or central heating ventilation and air conditioning system that is maintained by the Condominium Association. In addition, if the damage is caused by an employee of the Condominium Association or a contractor of the Condominium Association, the Condominium Association will assume liability for an uninsured portion of the damage.

The Board of Directors may on a case by case basis, assume responsibility for the cost of individual unit damage if there was additional damage as a result of the unit owner association's failure to repair a defect or condition in the General Common Elements.

The Board of Directors may assume no responsibility from any cause for individual unit owner's personal property.

The Condominium Association will not take any responsibility for damage clearly caused by an act of another unit owner, the unit owner of the unit in question or an external condition, whether that external condition being an Act of God or is a condition that exists in the common elements.

Book of Minutes No. \_\_\_

ATTEST: \_\_\_\_\_  
Secretary

Date: 8/31/94

<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<u>Mary Ann G. Taylor</u> President
<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<u>Gordon K. Debbia</u> Vice President
<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<u>Paul G. [Signature]</u> Secretary
<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<u>[Signature]</u> Treasurer
<input type="checkbox"/> yes	<input type="checkbox"/> no	_____ Director

Adopted at an open board meeting on 8/24/95

**HERON'S COVE CONDOMINIUM  
BOARD OF DIRECTORS RESOLUTIONS NO. \_\_\_\_  
POLICY RESOLUTION**

**INSURANCE DEDUCTIBLES**

**WHEREAS, Article III, Section 2, of the By-Laws Board of Directors "shall have and shall exercise the powers and duties of the Association" and**

**WHEREAS, Article III, Section 2 (g) authorized the Board to "Obtain insurance for the property."**

**WHEREAS, Article V, Section 10 of the By-Laws requires the Board to obtain a policy covering physical damage for the entire Property.**

**WHEREAS, said insurance policies normally contain a provision of what is known as a deductible where the insurance policy does not cover a certain amount of the total damage;**

**WHEREAS, Article V, Section 13(b), states that it is the unit owner's responsibility to maintain in good repair the interior of his or her unit;**

**WHEREAS, the Board deems it necessary to establish a procedure relating to the payment of uninsured property damage including the deductible portion of all insurance claims;**

**NOW, THEREFORE, BE IT RESOLVED THAT it shall be the HERON'S COVE Unit Owners' Association responsibility to pay all expenses for the repair, maintenance and restoration of damage that is not covered by the Master Insurance Policy for all areas of the building known as the common elements.**

**LET IT FURTHER BE RESOLVED, that the unit owner having damage or repair not covered by insurance, including the deductible, must pay all costs not covered by insurance.**

LET IT FURTHER BE RESOLVED, that if damage, cost of repair, maintenance and restoration that is not covered by insurance or is subject to deductible and affects two or more units and/or the common elements, such expense will be borne on a pro-rated basis in proportion to the total damage and cost of repair and maintenance and restoration.

The provisions of this resolution apply to physical damage to the common elements and/or units and do not apply to items such as personal property of individual unit owner or other parties.

Book of Minutes No. \_\_\_

ATTEST: \_\_\_\_\_  
Secretary

Date: 8/31/94

yes     no

Mayra C. Taylor  
President

yes     no

Gordon C. Dobb  
Vice President

yes     no

[Signature]  
Secretary

yes     no

[Signature]  
Treasurer

yes     no

\_\_\_\_\_  
Director

Adopted at an open board meeting on 8/24/94