

2017 Binding Resolution of the Board of Trustees of the Heidelberg Beach Association

Resolved,

- 1) The Board hereby levies an assessment in the amount of \$720,000 for the primary purpose of funding the “Infrastructure Reserve” fund.
- 2) The Board of Trustees is levying this assessment for the primary purpose of maintaining, repairing and replacing the private water lines and infrastructure servicing Heidelberg Beach in approximately 5 years (2023).
- 3) This assessment is based on an estimated figure in 2017 dollars provided by the civil engineering firm OHM Advisors. The exact cost of the project will be determined after the detailed design phase, which will be implemented once the “Infrastructure Reserve” fund contains a minimum of \$500,000 (estimated to be in approximately 3 or 4 years).
- 4) If the project cost is higher than estimated, an additional assessment or assessments will be levied.
- 5) If the project cost is less than estimated, the excess funds collected (or to be collected from those on payment plans) will remain in the “Infrastructure Reserve” fund for future repair or replacement projects.

Further Resolved and Reaffirmed,

- 1) This “Infrastructure Reserve” shall be collected equally from each of the 48 cottage leaseholders. Therefore, this is an assessment in the amount of \$15,000 per cottage.
- 2) This assessment may be paid in installments. The requested and standard installment is \$3,000/year for 5 years (the “Standard Installment”). If you can remit at a faster rate, it will help the community begin the detailed design phase faster and potentially also get the project started faster.
- 3) The minimum installment is \$1,000/year for 5 years and then \$2,000/year for the following 5 years. The full \$15,000 assessment per cottage must be paid in full within 10 years. Paying at this rate is a privilege extended to existing leaseholders as of the date of the approval of this resolution.

Further Resolved, in accordance with our lease, any transfer of a leasehold interest requires the consent of the Board. If a leasehold interest in a cottage is sold during the time that installments are being collected for that cottage, all assessments due through the year of closing must be paid up to the level that would have occurred by remitting the Standard Installment (the “Make-up Installment”), and the new leaseholder(s) will be required to pay the Standard Installment going forward. The buyer and seller may determine who pays the Make-up Installment, so long as the Make-up Installment is remitted to the Association at closing. In the event this does not occur, the new leaseholder shall assume the remainder of the unpaid assessment. If a cottage is transferred to a family member (due to the death of a leaseholder or otherwise), the minimum payment plan noted above will be allowed to continue.

Further Resolved and Reaffirmed, the “Infrastructure Reserve” may only be used for any or all of the following purposes: maintenance and repair of existing water and storm sewer lines; replacement of existing water and storm sewer lines; addition of sanitary sewer lines and a pump station; road repair or replacement as a result of work done; road repair or replacement as a necessity of age; and/or fees for professional services, such as engineers, consultants, or attorneys, including costs of enforcement and collection of assessments.

Further Resolved, the Association has the right and responsibility to hold funds in reserve for the repair and replacement of the Heidelberg Beach infrastructure.

- 1) The Board of Trustees shall obtain a Fidelity Bond in the amount of \$500,000 covering policyholders (the Association members) against losses from fraudulent acts by the Board. The estimated initial annual cost for such coverage is \$294.00 per year.
- 2) The Treasurer shall segregate the “Infrastructure Reserve” from normal operating funds. Any investment of any portion of this reserve is limited to an account with no risk of capital loss (i.e. savings account or certificate of deposit) and shall require prior approval by the Board.

Further Resolved, once the “Infrastructure Reserve” fund accumulates more than \$500,000, the Association will contract with a civil engineering firm to begin the detailed design.

Further Resolved, if at any time, new information comes to light that would change the direction or scope of the Association’s plans, the Board of Trustees shall have the right to reevaluate the Association’s course of action. The Board may respond with a modified plan to address changes desired or required to comply with any federal, state or local law, rule, regulation or ordinance or to address issues that arise during the detailed design phase that might change the planned approach. Any substantial changes to the Association’s plans will be communicated to the members at a community meeting, and unless the change is required by applicable law, rule, regulation or ordinance, it will be put to a community vote.