

**NOTICE OF MEETING AND AGENDA**

**GHI BOARD OF DIRECTORS  
OPEN MEETING**

*Begins At 7:45 p.m.*

**Thursday, February 3, 2022**

VIRTUAL ZOOM MEETING ROOM

Members & Visitors may attend remotely.

**1. Approval of Agenda**

**2. Statement of Closed Meetings**

- a. Statement of a Closed Meeting on January 20, 2022 (Attachment #1)
- b. Statement of a Closed Meeting on February 3, 2022 (Attachment #2)

**3. Visitors and Members (Comment Period)**

**4. Approval of Membership Applications**

**5. Committee Reports**

**6. For Action or Discussion**

- |  |            |                   |
|--|------------|-------------------|
| a. Proposed Solar PVES Pre-paid Power Purchase Agreement – 1 <sup>st</sup> reading (Attachment #3a-3b)             | 15 Minutes | Discussion/Action |
| b. Preparations for the 2022 Annual Membership Meeting – (Attachment #4)   | 10 Minutes | Discussion/Action |
| c. Proposed Amendments to GHI Bylaws   | 15 Minutes | Discussion/Action |
| d. Proposal to Install a Serviceside Porch with a Gable Roof at 73-Q Ridge Rd – (Attachment #5)                    | 15 Minutes | Discussion/Action |
| e. Suggestions from a Member for Protecting Neighbors' Rights During GHI Addition Permit Process – (Attachment #6) | 5 Minutes  | Discussion/Action |
| f. 2022 Maryland Legislative Bills that may Impact GHI – (Attachments #7a-7c)                                      | 15 Minutes | Discussion/Action |
| g. Review 2021-22 Board Action Plan & Committee Task List – (Attachments #8a-8b)                                   | 20 minutes | Discussion/Action |
| h. Motion to Hold a Closed Meeting on February 17, 2022  | 2 minutes  | Action            |

**7. Items of Information**

- a. Status of Yardi Property Management System Implementation and Website Upgrade
- b. Staffing Updates
- c. President's Items
- d. Board Members' Items
- e. Audit Committee's Items
- f. Manager's Items

Ed James  
Secretary

**NOTE: AT 10:15 P.M., THE BOARD MAY IMMEDIATELY MOVE TO ITEM 7, EVEN IF THE PRECEDING AGENDA ITEMS HAVE NOT BEEN COMPLETED.**

## MANAGER'S MEMORANDUM

TO: GHI Board of Directors  
FROM: Eldon Ralph, General Manager  
DATE: January 27, 2022  
SUBJECT: Items for the **GHI OPEN** Board Meeting on February 3, 2022

---

### GHI Open Meeting

6a. Proposed Solar PVES Pre-paid Power Purchase Agreement – 1<sup>st</sup> reading (Attachment #3a-3b)

During the annual membership meeting on May 10, 2018, a vote was taken to authorize GHI's Board of Directors to enter into a contract to install a solar photovoltaic electrical system to supply electricity for GHI's Administration Building. Two options were considered and approved.

- Option 1, as Amended  
On behalf of the Board, be it moved that the membership of Greenbelt Homes Inc. permits the Board of Directors to enter into a contract to purchase a solar panel system of at least 125-kilowatt capacity, for no more than \$280,000 that would supply electricity to GHI's Administration Buildings.
- Option 2, as Amended  
On behalf of the Board, be it moved that the membership of Greenbelt Homes Inc. permits the Board of Directors to enter into a Power Purchase Agreement (PPA) for a solar panel system that would supply electricity to GHI's Administration Buildings, not to exceed \$22,000 for the first year with adjustments for the rising cost of electricity in future years.

In 2018, GHI entered into a Power Purchase Agreement (PPA) with Sustainable Energy Systems LLC, whereby SES financed and constructed a 133KW (AC) solar photovoltaic energy system (PVES) on the premises of the Administration Building Complex. Under the terms of this agreement, GHI would purchase electrical energy for a minimum of 15% less than the rate PEPCO charges.

SES has offered to amend the current agreement from a Power Purchase Agreement (PPA) to a **pre-paid** PPA. Under the pre-paid PPA, GHI would pay SES \$258,155.52 at the beginning of the contract; an amount that is equivalent to savings GHI would accrue in electrical costs plus solar renewable energy credits received by year 9 after the system is commissioned. SES would own the system for a period of 5 years and then sell or donate the system to GHI.

On May 6, 2021, the Board established a task force comprised of Steve Skolnik, Chuck Hess, and Eldon Ralph (staff liaison) to negotiate with SES and formulate a draft **pre-paid** PPA. On July 1<sup>st</sup>, the Board reviewed the task force's report which included a draft pre-paid PPA and financial analyses showing the savings that GHI would obtain from the current PPA and from the proposed **pre-paid** PPA. The Board directed the Manager to request legal counsel to review the draft pre-paid power PPA and also advise whether GHI's bylaws and the 2018 membership vote allowed the Board to enter into the proposed **pre-paid** PPA.

On September 30, 2021, Attorney Douglass from the law firm Whiteford, Taylor, Preston provided an opinion in reference to Article VIII, Section 11.d. of the Bylaws, regarding multi-year contracts, which stated that it is legitimate for GHI to enter into a pre-paid PPA without a further membership vote, provided the \$400,000 aggregate limit for multi-year contracts is not exceeded. GHI would not exceed the \$400,000 aggregate limit for multi-year contracts, if the Board approved the pre-paid PPA, hence a further membership vote is not necessary.

On November 18, 2021, the Board reviewed a financial spreadsheet that Board Treasurer Luly, Director Chuck Hess, and Finance committee member Bill Jones prepared regarding the projected financial benefit to GHI of owning the solar PVES in terms of 'net present value.' The analysis showed that the proposed option to purchase has a Net Present Value of \$547,426; the current option to lease has a Net Present Value of \$331,924. i.e., the purchase is \$215,502 better in today's dollars, based on the following assumptions:

- Electric prices rise at 0.553% annually.
- Power generated the first year would cost \$23,496 from Pepco (the lease option requires GHI to pay 85% of that to the contractor, which is \$19,972).
- Monies invested by GHI will earn 2.5% annually.
- The contractor's estimate of \$61,558 in earnings from SRECs for the first ten years is correct.

The Board then directed that legal counsel should continue reviewing the draft pre-paid PPA between SES and GHI and also requested GHI member Steve Skolnik to continue with the inspection of the Solar PVES that SES installed, review its material specifications, and provide a report on the quality of the installation.

Attorney Stephen Luttrell of the law firm Whiteford, Taylor, Preston reviewed an amendment to the original agreement (attachment #4b) that SES submitted regarding the proposed pre-paid PPA and made several changes. Staff is awaiting comments from SES and Task Force members Skolnik and Hess regarding the amendment. If there are revisions, the revised amendment will be provided to the Board, prior to the Board meeting.

Steve Skolnik is working on the report that the Board requested regarding the quality of the

Solar PVES installation that the Board requested and hopes to present it for the Board's review on February 17, 2022.

This item is on the agenda for discussion and action.

6b. Preparations for the 2022 Annual Membership Meeting – (Attachment #4)

The 2022 annual membership meeting will be held on May 12, 2022; hence preparations should begin now. Staff must select a venue if an in-person meeting is held. In accordance with Section 6 of the Bylaws, the order of business at the annual meeting, except as amended by majority vote at the annual membership meeting, will be:

1. Issuance of voting cards.
2. Proof of due notice of meeting.
3. Certification of presence of a quorum.
4. Approval of agenda.
5. Action on minutes of previous meeting.
6. Reports of officers, directors, and elected committees.
7. Presentation of candidates.
8. Nomination and election of Nominations and Elections Committee.
9. Old business.
10. New business.
11. Good and welfare.
12. Recess.

Last year, the Maryland General Assembly passed House Bill 1023 (attachment #4) that authorizes Condominiums, Homeowners Associations, and Cooperative Housing Corporations to hold meetings by telephone conference, video conference, or similar electronic means.

Due to the current coronavirus pandemic and risk posed by public gatherings, the Board may wish to consider which of the following options should be selected for the 2022 annual meeting:

- a) Hold a wholly virtual annual meeting; staff would hire Get Quorum (the company that hosted the 2020 and 2021 annual meetings) to host the meeting.
- b) Hold a hybrid (in-person and virtual) annual meeting on May 12, 2022. Staff would hire Get Quorum to host the virtual Zoom component of the meeting. *323 members attended the virtual meeting in 2021, and 12 members (including 2 Board members and 2 N&E Committee members) attended the in-person meeting.*

This item is on the agenda for discussion and action.

**Suggested motion: I move that the Board of Directors stipulate that the annual membership meeting on May 12, 2022, beginning at 7.30 p.m. shall be a (wholly virtual/hybrid) meeting.**

6c. Proposed Amendments to GHI Bylaws

Board President Stefan Brodd is proposing that the Board request the membership to consider approving four proposed Bylaw amendments outlined below during the annual membership meeting on May 12, 2022. The strikethrough text delineates words to be deleted and bold underlined text delineates words added.

Proposed Amendment #1

Article VIII Financial Regulations; Section 11 Expenditure of Funds and Contracts; paragraph a:

No expenditure in excess of \$7,500 **\$15,000** shall be made, nor shall any obligation for the expenditure of more than said amount be incurred, except in pursuance of a motion adopted by the Board of Directors. All motions authorizing said expenditures of money or the incurring of an obligation for said expenditures of money shall state specifically the amounts of expenditures authorized and the specific purpose for which authorized. Sums thus authorized shall be applied solely to the specific objects for which they are made and for no others, except pursuant to a motion subsequently adopted by the Board of Directors. No motion authorizing the expenditure of money **in excess of \$100,000** or the incurring of any obligation for the expenditure of money **of more than said amount** shall be adopted until the same shall have been approved by the Board of Directors at two separate Board meetings on two different days except in emergencies, in which event the approval of two-thirds of the entire Board shall be necessary for adoption.

*Rationale: To give the General Manager greater flexibility and efficiency in dealing with budgeted expenditures and contracts that fall between \$7,500 (current limit) and \$15,000 (proposed new limit). and increase the efficiency of the Board of Directors in not having to review these small items.*

*To allow the Board of Directors to accept contracts between \$15,000 and \$100,000 in one reading, thus saving time and making Board operations more efficient. Contracts involving, for example, repairs to a unit that has been assigned to GHI by a member should not be unnecessarily delayed by two separate readings because it is expensive and inconvenient for both GHI and the member.*

Proposed Amendment #2

In Article III Membership; Section 3 Privileges of Members:

Members of the Corporation shall be permitted to attend meetings of the Board of Directors and shall be excluded from such meetings only if the Board by a ~~three-fourths~~ **two-thirds** vote should ~~enter into an executive session~~ **hold a closed meeting**. Any consideration of contracts in ~~Executive Session~~ **a closed meeting** requires prior public announcement of the nature and scope of the contracts by printed and electronic means as soon as practicable. The Board shall not make policy decisions in ~~Executive Session~~ **a closed meeting**, but may decide in such sessions matters affecting individual members, employees, pending litigation, or contract negotiations. All

members of the Corporation shall have the right to inspect and copy the record of the names and addresses of all members of the Corporation at any time during regular office hours of the Corporation, provided that such member asking to examine and/or copy the list shall sign a statement that the list will not be used for a purpose other than for contacts with members covering business concerning the Corporation. All members of the Corporation shall have the right to inspect and copy the approved minutes of the Board of Directors (excluding minutes of any **closed** meeting ~~held in executive session~~) at reasonable times and under reasonable regulations established by the Board of Directors.

*Rationale: Change “executive session” to “closed meeting” to bring the terminology in GHI Bylaws into accordance with the Maryland Cooperative Housing Corporation Act and use a term more easily understood by members.*

Proposed Amendment #3

In Article VII Committees; Section 2 Audit Committee; paragraph c:

Members of the Audit Committee shall have the right to attend all regular and special meetings of the Board of Directors of GHI and all subsidiary corporations, including ~~executive sessions~~ **closed meetings**, and shall be furnished with copies of all minutes.....

*Rationale: Change “executive sessions” to “closed meetings” to bring the terminology in GHI Bylaws into accordance with the Maryland Cooperative Housing Corporation Act and use a term more easily understood by members.*

Proposed Amendment #4

In Article V Directors; Section 5 Meetings:

The Board shall hold regular meetings at least twice monthly except during the months of June, July, and August when it shall meet **at least** monthly.....

*Rationale: To reflect the reality that the Board of Directors has for years met at two regular Board meetings during the summer months.*

This item is on the agenda for discussion and action.

**Suggested motion: I move that the Board of Directors direct the Manager to request legal counsel to review the proposed bylaw amendments (as presented/as revised) and recommend changes to the language that are necessary.**

6d. Proposal to Install a Serviceside Porch with a Gable Roof at 73-Q Ridge Rd – (Attachment #5)

On December 3, 2021, staff received a Type I permit request (attachment #5) from the member at 73-Q Ridge Road who desires to remove a serviceside shed roof overhanging the front door of the unit and install a porch equipped with a gable roof. This request requires an exception to GHI Rule:

§X.G.7, “The rooflines of an addition should be of the same type as the original structure or blend with the existing lines.

During the ARC meeting on January 12, 2022, the following points were discussed:

- a. The member proposes to replace their existing shed roof porch with a larger 11’-6” x 6’-3” porch that will have a gable roof.
- b. The design of the new porch complies with all other GHI rules.
- c. The slope of the proposed gable roof is 4:12 as shown on page 2 of attachment #5.
- d. The ARC was impressed that the Member received consent forms from every adjacent neighbor in the court.
- e. The ARC would prefer that the gable roof match the slope of the main building roof as much as possible.

The ARC recommended by a vote of 5-0-0 that the Board of Directors grant an exception to GHI Rule §X.G.7 to permit the construction of the proposed serviceside porch at 73-Q Ridge Road with a roof pitch that matches that of the main building as close as possible.

After the ARC meeting, the slope of the main building roof was confirmed to be 7.5:12. The member’s contractor prepared an exhibit (page #2a of attachment #5) which shows that the porch roof slope cannot be greater than the 4:12 proposed.

This item is on the agenda for discussion and action.

**Suggested motion: I move that the Board of Directors (*grant/not grant*) an exception to GHI Rule §X.G.7 thereby allowing the member of 73-Q Ridge Rd to construct a serviceside porch addition at 73-Q Ridge Road with a 4:12 roof pitch.**

6e. Suggestions from a Member for Protecting Neighbors' Rights During GHI Addition Permit Process – (Attachment #6 )

Ms. Mara Hemminger, the member of 33-N Ridge Rd submitted several suggestions that are detailed in attachment #6, for ensuring transparency and protection of neighbors' rights during GHI addition permit reviews.

This item is on the agenda for discussion and action.

**Suggested motion: I move that the Board of Directors direct the Permit Task force to review the suggestions for ensuring transparency and protection of neighbors' rights during GHI addition permit reviews, that the member of 33-N Ridge Rd submitted, and recommend which suggestions should be adopted.**

6f. 2022 Maryland Legislative Bills that may Impact GHI – (Attachments #7a-7c)

The Legislative Government Affairs Committee has requested that the Board review the following three bills that are being considered during the 2022 MD General Assembly Session and advise whether it wishes the Committee to take any action in support of or against the bills on GHI’s behalf:

- Cooperative Housing Corporations and Condominium Associations – Evidence of Insurance (SB 65/HB117) – (Attachment #7a )

If this bill is passed, a cooperative housing corporation could require that a member maintain insurance coverage such as an HO-6 policy and provide evidence of such coverage on request.

- Cooperative Housing Corporations – Property Insurance Deductibles – Member Responsibility (SB 145/HB197) – (Attachment #7b )

If this bill is passed, a member of a cooperative housing corporation could be required to pay a certain amount of the cooperative housing corporation’s property or liability insurance deductible not exceeding \$10,000 if damage to the common elements originated in the member’s unit.

- Real Property – Regulation of Common Ownership Community Managers (HB 26) – (Attachment #7c)

If this bill is passed, a State Board of Common Ownership Community Managers would oversee the licensing of community managers who provide management services for common ownership communities and require those communities to register with the Board under certain circumstances.

This item is on the agenda for discussion and possible action.

- 6g. Review 2021-22 Board Action Plan & Committee Task List – (Attachments #8a-8b)

Attachment #8a is the updated 2021-22 Board Action Plan as of January 25, 2022.

Attachment #8b is the updated Committee Task List. The Board should review the activities that are in progress and discuss steps to initiate tasks in the Board Action Plan that have not begun.

- 6h. Motion to Hold a Closed Meeting on February 17, 2022

**Suggested motion: I move to hold a closed meeting of the Board of Directors at 7:00 pm on February 17, 2022.**

## **7. Items of Information:**

- 7a. Status of Yardi Property Management System Implementation and Website Upgrade

### A. Yardi Implementation

In the 4<sup>th</sup> quarter of 2020, the Board approved a contract with Yardi Systems, Inc. for GHI’s utilization of the company’s property management software. The objectives for utilizing Yardi were as follows:

- Unify the computer software used for GHI finance, maintenance, and member operations.



- Provide a member-private intranet that is pertinent to GHI members, allowing the separation of the GHI public website and internal member-related information.
- Better communication with members through a dedicated portal, providing an online method for up-to-date information on their co-op payment details, maintenance work orders, and important information.

In February 2021, staff began meeting with Yardi representatives to commence the implementation. Transfer of data from the existing Jenark Financial and MicroMain Maintenance Management systems began, with key staff involved being trained on the operation of Yardi and with gathering information from appropriate fields in existing databases for transfer to the Yardi system. Implementation of the Yardi system has been slow due to departures of the following key employees during 2021 who needed to be involved in the implementation and /or trained to utilize different modules of the new system.

- Director of Maintenance
- Director of Member Services
- Warehouse Manager
- Administrative Assistant (Member Services)
- Executive Assistant (Management Office)

Fortunately, retired Assistant Manager Tom Sporney has been able to assist staff on a part-time basis with the implementation of the Maintenance and Inventory Management module and Member Portal.

At present, the estimated completion percentages for the three primary Yardi modules are as follows:

- Financial module – 85%
- Maintenance and Inventory Management – 75%
- Member Portal – 80%

Staff is planning to implement a sequenced rollout of the modules in the following order:

- Financial module
- Introduction of the portal for member use for finances and information
- Maintenance and Inventory management
- Enabling access to work order information on the member portal

Staff hopes that Yardi will be fully operational by the end of May 2022.

#### B. Website Upgrade

After November 2022, Drupal won't be releasing security updates for GHI's website operating system (Drupal 7) and it may become less and less secure. Moving to the latest Drupal 9 version would likely require a complete rebuild of our website.

Last September, a GHI Website Task Force recommended that GHI should build a new website with a WordPress platform. By the end of January 2022, staff will fully decide what content should either remain on the website, be removed completely, or be transferred to the Yardi member portal. Starting in February, member Ken Shields who chaired the Website Task Force has volunteered to assist staff in developing a Request for Proposals document to solicit bids from firms to build a new website with a WordPress platform. The content on the current website will be moved to the new website while allowing for the addition of new features and functions at a later date.

This item is on the agenda for discussion.

7b. Staffing Updates

A staffing update was last provided to the Board on November 18, 2021. Since then, the following changes have occurred:

<b>New Hires</b>	<b>Job Title</b>	<b>Effective Date</b>
Jim Morris	Director of Maintenance	12/6/2021
Daryle Garland	Carpenter II	12/27/2021
Victor Chigbue	Warehouse Specialist	1/18/2022
<b>Impending New Hires</b>	<b>Job Title</b>	<b>Effective Date</b>
Talyzia Jenkins	Administrative Assistant (Front Desk)	1/31/2022
Onyel Bhola	Director of Technical Services	2/14/2022
Thomas Williams	Project Manager	2/21/2022
<b>Departures</b>	<b>Job Title</b>	<b>Effective Date</b>
Monica Johnson	Administrative Assistant (Front Desk)	11/19/2021
Brian Lovelock	Journeyman Plumber	11/15/2021
Melvin Williams	Warehouse Specialist	12/21/2021
<b>Vacancies</b>		
Executive Assistant		
Maintenance Technicians		
(3)		

Statement of a Closed Meeting Held on January 20, 2022

GHI's Board of Directors held a closed meeting at 7:00 PM on January 20, 2022, via internet audio/video conference to discuss the following matters, as specified in the noted sub-paragraphs of the Maryland Cooperative Housing Corporation Act § 5-6B-19 (e) (1):

1. Consider Approval of the following Contracts: <ul style="list-style-type: none"> <li>• 2022-23 Contract for Yardi Property Management System – 2<sup>nd</sup> reading</li> <li>• Contract for Repairs to a GHI Unit – 2<sup>nd</sup> reading</li> <li>• Contract for Repairs to a GHI Unit – 1<sup>st</sup> and only reading</li> </ul>	(vi)
2. Request by a Prospective Member for an Exception to the GHI Member Selection Criteria Policy	(iv)
3. Request by a Member to Assign Their Unit to GHI	(iv)
4. Member Financial Matters	(viii)
5. A Complaint Matter	(iv)

During the meeting, the Board of Directors approved the following contracts:

- a) A contract with Yardi Systems Inc. for use of its Yardi property management system by GHI during March 2022 to February 2023, at a cost of \$ 44, 290, with an amount of 10% for contingencies for a total cost not exceeding \$48,719.
- b) A contract with Q&A Home Improvements to repair a unit that was assigned to GHI, at the contractor's bid of \$16,850 plus 10% for contingencies, for a total not to exceed \$ 18,535.
- c) A contract with Q&A Home Improvements to repair a unit that was assigned to GHI, at the contractor's bid of \$13,850 plus 10% for contingencies, for a total not to exceed \$ 15,235.

The motion to hold the closed meeting was approved during the open meeting of January 6, 2022, by Directors Bilyeu, Brodd, Carter-Woodbridge, James, Luly, McKinley and Mortimer.

Statement of Closed Meeting Held on February 3, 2022

GHI's Board of Directors held a closed meeting at 7:00 PM on February 3, 2022, via internet audio/video conference to discuss the following matters, as specified in the noted sub-paragraphs of the Maryland Cooperative Housing Corporation Act § 5-6B-19 (e) (1):

1. Approve Minutes of the Closed Meeting held on December 16, 2021	(vii)
2. Rental Permit Request from a member	(iv)
3. Member Financial Matters	(viii)
4. Member Complaint Matters	(iv)

The motion to hold the closed meeting was approved during the open meeting of January 20, 2022, by Directors Bilyeu, Brodd, Carter-Woodbridge, Hess, James, Lambert, Luly, McKinley and Mortimer.



**SOLAR POWER PURCHASE AGREEMENT**

For

**GREENBELT HOMES INCORPORATED**

**Sustainable Energy Systems, LLC**

301-788-4003

[www.SustainableEnergySystems.net](http://www.SustainableEnergySystems.net)

### Solar Power Purchase Agreement

This Solar Power Purchase Agreement (this "Agreement") is entered into by the parties listed below (each a "Party" and collectively the "Parties") as of the date signed by Seller below (the "Effective Date").

<b>Purchaser:</b>		<b>Seller:</b>	
<b>Name and Address</b>	Greenbelt Homes Incorporated 1 Hamilton Pl, Greenbelt, MD 20770 Attn: General Manager	<b>Name and Address</b>	Sustainable Energy Systems LLC 4509 Metropolitan Court Unit H Frederick, MD 21704 Attn: Zayn Bradley, Rollie Belles, Ryan Nicholson, Kurt Zwally
<b>Phone</b>	301-474-4161	<b>Phone</b>	(301) 788-4003 (703) 216-2325 (Kurt Zwally Direct)
<b>Fax</b>	N/A	<b>Fax</b>	1(240) 556-0377
<b>E-mail</b>	mgmtoffice@ghi.coop	<b>E-mail</b>	<a href="mailto:Kurt@sustainableenergysystems.net">Kurt@sustainableenergysystems.net</a>
<b>Premises Ownership</b>	Purchaser <input checked="" type="checkbox"/> owns <input type="checkbox"/> leases the Premises. List Premises Owner, if different from Purchaser:	<b>Additional Seller Information</b>	

This Agreement sets forth the terms and conditions of the purchase and sale of solar generated electric energy from the solar panel system described in **Exhibit 2** (the "System") and installed at the Purchaser's facility described in **Exhibit 2** (the "Facility").

The exhibits listed below are incorporated by reference and made part of this Agreement.

<b>Exhibit 1</b>	Basic Terms and Conditions
<b>Exhibit 2</b>	System Description
<b>Exhibit 3</b>	Credit Information
<b>Exhibit 4</b>	General Terms and Conditions
<b>Exhibit 5</b>	Form of Memorandum of License [this Exhibit deleted]
<b>Exhibit 6</b>	Form of Easement Agreement

**Purchaser: Greenbelt Homes Incorporated**

Signature: Eldon Ralph

Printed Name: ELDON RALPH

Title: General Manager

Date: 9/17/18

**Seller: Sustainable Energy Systems LLC**

Signature: Ryan Nicholson

Printed Name: Ryan Nicholson

Title: Sales Manager

Date: 10/12/2018

**Exhibit 1**  
**Basic Terms and Conditions**

1. **Term:** Twenty (20) years, beginning on the Commercial Operation Date.
2. **Additional Terms:** Up to two (2) Additional Terms of five (5) years each.
3. **Environmental Incentives and Environment Attributes:** Accrue to Seller.
4. **Contract Price:**

Contract Year	\$/kWh
1	\$0.1181
2	\$0.1216
3	\$0.1253
4	\$0.1290
5	\$0.1329
6	\$0.1368
7	\$0.1409
8	\$0.1451
9	\$0.1495
10	\$0.1540
11	\$0.1586
12	\$0.1633
13	\$0.1682
14	\$0.1732
15	\$0.1784
16	\$0.1837
17	\$0.1892
18	\$0.1949
19	\$0.2007
20	\$0.2067

Seller will increase base price per kWh by 2.9% every year. Seller guarantees that at no time will the solar generated price per kWh be more than 85% of the rate of local utility's price per kWh (this ensures a minimum savings of 15% per kWh). Purchaser must provide 12 months' worth of electrical bills by the anniversary of the contract date each year for an evaluation of the utilities price per kWh to ensure aforementioned minimum savings is applied to that contract year's rate. Seller will have seven (7) business days to evaluate the electric bills and respond with the upcoming contract year's rate. If the seller fails to provide the necessary electric bills, the 2.9% escalator will be assessed based on previous contract year's solar price per kWh. The utility's electricity price shall be determined as follows: the twelve month average of the following calculation: ((total electric charges minus any fixed monthly charges, also known as customer charge on the monthly bill ) divided by total kilowatt hours).

5. **Condition Satisfaction Date:** 6/30/19 with permit and utility applications submitted by 11/15/18 and materials on site by 3/31/19.
6. **Anticipated Commercial Operation Date:** Approximately four months from date of PPA signing.
7. **Rebate Variance.** All prices in this Agreement are calculated based on an upfront rebate of \$0. If the actual rebate is lower than calculated, prices will be adjusted pro-rata to reflect the actual rebate received.

8. **Purchaser Options to Purchase System.**  None  or as set forth in Section 14(b).

9. **System Installation:**

Includes:	<p><input checked="" type="checkbox"/> Design, engineering, permitting, installation, monitoring, rebate application and paperwork processing of the System.</p> <p><input checked="" type="checkbox"/> Limited Warranty.</p> <p><input type="checkbox"/> List of Approved Subcontractors                      <input checked="" type="checkbox"/> Any like substantive equipment, in the sole discretion of the Seller.</p> <p><input type="checkbox"/> State or Utility Rebate, if any. Describe: _____</p>
Excludes:	<p>Unforeseen groundwork (including, but not limited to, excavation/circumvention of underground obstacles), upgrades or repair to the Facility or utility electrical infrastructure that is not related to the solar power system being installed, payment bonds, performance bond(s), prevailing wage construction, tree removal, or tree trimming.</p> <p>Within ten (10) days of providing any determination, in writing, of the cost to address any of the excluded items referenced in this section, and before construction begins, Purchaser shall have the sole and exclusive right to terminate this Agreement without any cost or penalty to be paid to Seller.</p>



**8. Purchaser Options to Purchase System.**  None  or as set forth in Section 14(b).

**9. System Installation:**

Includes:	<p><input checked="" type="checkbox"/> Design, engineering, permitting, installation, monitoring, rebate application and paperwork processing of the System.</p> <p><input checked="" type="checkbox"/> Limited Warranty.</p> <p><input type="checkbox"/> List of Approved Subcontractors <input checked="" type="checkbox"/> Any like substantive equipment, in the sole discretion of the Seller.</p> <p><input type="checkbox"/> State or Utility Rebate, if any. Describe: _____</p>
Excludes:	<p>Unforeseen groundwork (including, but not limited to, excavation/circumvention of underground obstacles), upgrades or repair to the Facility or utility electrical infrastructure that is not related to the solar power system being installed, payment bonds, performance bond(s), prevailing wage construction, tree removal, or tree trimming.</p> <p>Within ten (10) days of providing any determination, in writing, of the cost to address any of the excluded items referenced in this section, and before construction begins, Purchaser shall have the sole and exclusive right to terminate this Agreement without any cost or penalty to be paid to Seller.</p>

**Exhibit 2**  
**System Description**

1. **System Location:** 1 Hamilton Pl, Greenbelt, MD 20770
2. **System Size (DC kW):** The system would be sized to produce an estimated 157,530 kilowatt hours per year (approximately 133.125 kW total).
3. **Expected First Year Energy Production (kWh):** 157,530
4. **Expected Structure:**  Ground Mount  Roof Mount  Parking Structure  Other
5. **Expected Module(s):**

<u>Manufacturer/Model</u>	<u>Quantity</u>
72 cell commercial module to be determined. It is likely to be a 355 watt Trina Tall-max monocrystalline module. However, the seller, as the owner of the system, has the right to select the most appropriate panel to meet the annual kWh target at the price agreed.	375

6. **Expected Inverter(s):**

<u>Manufacturer/Model</u>	<u>Quantity</u>
SolarEdge three phase w/Optimizers	188

7. **Facility and System Layout:** See Exhibit 2, Attachment A
8. **Utility:** PEPCO

**Exhibit 2**  
**Attachment A:**  
 Facility and System Layout

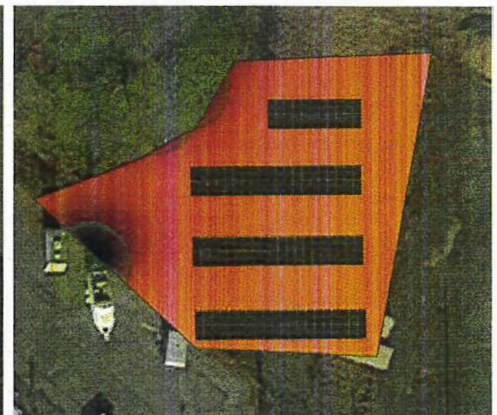
An Aerial Photograph of the Facility	See below
Conceptual Drawing of the System	See below
Delivery Point	At Main Service Meter in Admin Building  At Main Service Meter in warehouse via underground cable
Access Points	<ol style="list-style-type: none"> <li>1. Roof Top Access Required for the Administration Building and the Warehouse Building.</li> <li>2. RV/Boat lot &amp; grassy area Access required.</li> <li>3. Main Service Panel Access Required for both buildings.</li> <li>4. Utility Meter Access Required.</li> </ol>



Admin Building Roof Mount



Warehouse Building Roof Mount



Ground Mounts

**Exhibit 3**  
**Credit Information**

Promptly following the execution of this Agreement, Purchaser shall supply Seller with the following credit information:

PURCHASER INFORMATION							
Name: Greenbelt Homes Incorporated					Tax ID: 52-0625535		
Previous & Other Names: N/A				Website: <a href="http://www.ghi.coop/">http://www.ghi.coop/</a>			
Corporate Address: 1 Hamilton Place							
City, State, Zip Greenbelt, MD 20770							
Phone Number: 301-474-4161				Fax Number: N/A			
Entity Type Check One:	S-Corp	C-Corp	Partnership	Sole Prop	LLC	LLP	Other X
Property Address for Solar Installation: 1 Hamilton Place Greenbelt			State: Maryland	Zip Code: 20770	Property Owned by Applicant YES		
Property Type Commercial	Insurance Agent Name		Agents Phone: ( ) - -	Name of Property Owner if Not Applicant			

The above information and any information attached is furnished to Seller and its Financing Parties in connection with the Application of credit for which you may apply or credit you may guarantee. You acknowledge and understand that the Lender is relying on this information in deciding to grant or continue credit or to accept a guarantee of credit. You represent, warranty and certify that the information provided herein is true, correct and complete. The Lender is authorized to make all inquiries deemed necessary to verify the accuracy of the information contained herein and to determine your creditworthiness. You authorize any person or consumer-reporting agency to give the Lender any information it may have about you. You authorize the Lender to answer questions about its credit experience with you. Subject to any non-disclosure agreement between you and Lender, this form and any other information given to the Lender shall be the Lender's property. If your application for business credit is denied you have the right to a written statement of the specific reason for the denial. To obtain the statement, please contact Seller at (301) 788-4003. You must contact us within 60 days from date you are notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request.

Signature:  Title: *General Manager* Date: *9/17/18*

NOTICE: The Federal Equal Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance programs; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Office of the Comptroller of the Currency, Customer Assistance Unit, 1301 McKinney Street, Suite 3450, Houston, Texas 77010-9050. Seller is an equal opportunity lender.

**Exhibit 4**  
**Solar Power Purchase Agreement**  
**General Terms and Conditions**  
*August 8, 2013 Solar Energy Finance Association Version 1.0*

1. **Definitions and Interpretation:** Unless otherwise defined or required by the context in which any term appears: (a) the singular includes the plural and vice versa; (b) the words “herein,” “hereof” and “hereunder” refer to this Agreement as a whole and not to any particular section or subsection of this Agreement; (c) references to any agreement, document or instrument mean such agreement, document or instrument as amended, modified, supplemented or replaced from time to time; and (d) the words “include,” “includes” and “including” mean include, includes and including “without limitation.” The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement.
2. **Purchase and Sale of Electricity.** Purchaser shall purchase from Seller, and Seller shall sell to Purchaser, all of the electric energy generated by the System during the Initial Term and any Additional Term (as defined in **Exhibit 1**, and collectively the “Term”). Electric energy generated by the System will be delivered to Purchaser at the delivery point identified on **Exhibit 2** (the “Delivery Point”). Purchaser shall take title to the electric energy generated by the System at the Delivery Point, and risk of loss will pass from Seller to Purchaser at the Delivery Point. Purchaser may purchase electric energy for the Facility from other sources if the Purchaser’s electric requirements at the Facility exceed the output of the System. Any purchase, sale and/or delivery of electric energy generated by the System prior to the Commercial Operation Date shall be treated as purchase, sale and/or delivery of limited amounts of test energy only and shall not indicate that the System has been put in commercial operation by the purchase, sale and/or delivery of such test energy.
3. **Term and Termination.**
  - a. **Initial Term.** The initial term (“Initial Term”) of this Agreement shall commence on the Commercial Operation Date (as defined below) and continue for the length of time specified in **Exhibit 1**, unless earlier terminated as provided for in this Agreement. The “Commercial Operation Date” is the date Seller gives Purchaser written notice that the System is mechanically complete and capable of providing electric energy to the Delivery Point. Such notice shall be deemed effective unless Purchaser reasonably objects within five (5) days of the date of such notice. Upon Purchaser’s request, Seller will give Purchaser copies of certificates of completion or similar documentation from Seller’s contractor and the interconnection or similar agreement with the entity authorized and required under applicable law to provide electric distribution service to Purchaser at the Facility (the “Utility”), as set forth on **Exhibit 2**. This Agreement is effective as of the Effective Date and Purchaser’s failure to enable Seller to provide the electric energy by preventing it from installing the System or otherwise not performing shall not excuse Purchaser’s obligations to make payments that otherwise would have been due under this Agreement.
  - b. **Additional Terms.** Prior to the end of the Initial Term or of any applicable Additional Term, as defined below, if Purchaser has not exercised its option to purchase the System, either Party may give the other Party written notice of its desire to extend this Agreement on the terms and conditions set forth herein for the number and length of additional periods specified in **Exhibit 1** (each such additional period, an “Additional Term”). Such notice shall be given, if at all, not more than one hundred twenty (120) and not less than sixty (60) days before the last day of the Initial Term or the then current Additional Term, as applicable. The Party receiving the notice requesting an Additional Term shall respond positively or negatively to that request in writing within thirty (30) days after receipt of the request. Failure to respond within such thirty (30) day period shall be deemed a rejection of the offer for an Additional Term. If both Parties agree to an Additional Term, the Additional Term shall begin immediately upon the conclusion of the Initial Term or the then current term on the same terms and conditions as set forth in this Agreement. If the Party receiving the request for an Additional Term rejects or is deemed to reject the first Party’s offer, this Agreement shall terminate at the end of the Initial Term (if the same has not been extended) or the then current Additional Term.
4. **Billing and Payment.**
  - a. **Monthly Charges.** Purchaser shall pay Seller monthly for the electric energy generated by the System and delivered to the Delivery Point at the \$/kWh rate shown in **Exhibit 1** (the “Contract Price”). The monthly payment for such energy will be equal to the applicable \$/kWh rate multiplied by the number of kWh of energy generated during the applicable month, as measured by the System meter.

- b. **Monthly Invoices.** Seller shall invoice Purchaser monthly, through ACH only. Such monthly invoices shall state (i) the amount of electric energy produced by the System and delivered to the Delivery Point, (ii) the rates applicable to, and charges incurred by, Purchaser under this Agreement and (iii) the total amount due from Purchaser. The Contract Price includes ACH invoicing. If manual invoicing is required, a twenty five dollar (\$25) handling charge will be added to each invoice.
- c. **Taxes.** The agreed upon base \$/kWh rate (and future increases) include all necessary local/state/federal taxes. For purposes of this Section 4(c), "Taxes" means any federal, state and local ad valorem, property, occupation, generation, privilege, sales, use, consumption, excise, transaction, and other taxes, regulatory fees, surcharges or other similar charges, but shall not include any income taxes or similar taxes imposed on Seller's revenues due to the sale of energy under this Agreement, which shall be Seller's responsibility.
- d. **Payment Terms.** All amounts due under this Agreement shall be due and payable net thirty (30) days from receipt of invoice. Any undisputed portion of the invoice amount not paid within the thirty (30) day period shall accrue interest at the annual rate of two and one-half percent (2.5%) over the prime rate (but not to exceed the maximum rate permitted by law).

## 5. **Environmental Attributes and Environmental Incentives.**

Unless otherwise specified on **Exhibit 1**, Seller is the owner of all Environmental Attributes and Environmental Incentives and is entitled to the benefit of all Tax Credits, and Purchaser's purchase of electricity under this Agreement does not include Environmental Attributes, Environmental Incentives or the right to Tax Credits or any other attributes of ownership and operation of the System, all of which shall be retained by Seller. Purchaser shall cooperate with Seller in obtaining, securing and transferring all Environmental Attributes and Environmental Incentives and the benefit of all Tax Credits, including by using the electric energy generated by the System in a manner necessary to qualify for such available Environmental Attributes, Environmental Incentives and Tax Credits. Purchaser shall not be obligated to incur any out-of-pocket costs or expenses in connection with such actions unless reimbursed by Seller. If any Environmental Incentives are paid directly to Purchaser, Purchaser shall immediately pay such amounts over to Seller. To avoid any conflicts with fair trade rules regarding claims of solar or renewable energy use, Purchaser, if engaged in commerce and/or trade, shall submit to Seller for approval any press releases regarding Purchaser's use of solar or renewable energy and shall not submit for publication any such releases without the written approval of Seller. Approval shall not be unreasonably withheld, and Seller's review and approval shall be made in a timely manner to permit Purchaser's timely publication.

"**Environmental Attributes**" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the System, the production of electrical energy from the System and its displacement of conventional energy generation, including (a) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), carbon monoxide (CO) and other pollutants; (b) any avoided emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere; and (c) the reporting rights related to these avoided emissions, such as Green Tag Reporting Rights and Renewable Energy Credits. Green Tag Reporting Rights are the right of a party to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party, and include Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Environmental Attributes do not include Environmental Incentives and Tax Credits. Purchaser and Seller shall file all tax returns in a manner consistent with this Section 5. Without limiting the generality of the foregoing, Environmental Attributes include carbon trading credits, renewable energy credits or certificates, emissions reduction credits, investment credits, emissions allowances, green tags, tradeable renewable credits and Green-e® products.

"**Environmental Incentives**" means any and all credits, rebates, subsidies, payments or other incentives that relate to self-generation of electricity, the use of technology incorporated into the System, environmental benefits of using the System, or

other similar programs available from the Utility, any other regulated entity, the manufacturer of any part of the System or any Governmental Authority.

“**Governmental Authority**” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity (including the Federal Energy Regulatory Commission or the California Public Utilities Commission), or any arbitrator with authority to bind a party at law.

“**Tax Credits**” means any and all (a) investment tax credits, (b) production tax credits and (c) similar tax credits or grants under federal, state or local law relating to the construction, ownership or production of energy from the System.

**6. Conditions to Obligations.**

**a. Conditions to Seller’s Obligations.** Seller’s obligations under this Agreement are conditioned on the completion of the following conditions to Seller’s reasonable satisfaction on or before the Condition Satisfaction Date:

- i. Completion of a physical inspection of the Facility and the property upon which the Facility is located (the “**Premises**”) including, if applicable, geotechnical work, and real estate due diligence to confirm the suitability of the Facility and the Premises for the System;
- ii. Approval of (A) this Agreement and (B) the Construction Agreement (if any) for the System by Seller’s Financing Parties. “**Construction Agreement**” as used in this subsection means an agreement between Seller and any contractor or subcontractor to install the System;
- iii. Confirmation that Seller will obtain all applicable Environmental Incentives and Tax Credits;
- iv. Receipt of all necessary zoning, land use and building permits;
- v. Execution of all necessary agreements with the Utility for interconnection of the System to Facility electrical system and/or the Utility’s electric distribution system; and
- vi. Prior to Seller commencing construction and installation of the System, Seller shall have received (A) proof of insurance for all insurance required to be maintained by Purchaser under this Agreement, (B) written confirmation from any person holding a mortgage, lien or other encumbrance over the Premises or the Facility, as applicable, that such person will recognize Seller’s rights under this Agreement for as long Seller is not in default hereunder and (C), if Purchaser is not the fee owner of the Premises, a signed and notarized original copy of the easement agreement suitable for recording, substantially in the form attached hereto as **Exhibit 6** (the “**Easement Agreement**”).

**b. Conditions to Purchaser’s Obligations.**

- i. Purchaser’s obligations under Section 4(a) are conditioned on the occurrence of the Commercial Operation Date for the System.
- ii. Receipt of all necessary zoning, land use and building permits;
- iii. Execution of all necessary agreements with the Utility for interconnection of the System to Facility electrical system and/or the Utility’s electric distribution system, and confirmation that net metering will be available such that Purchaser can acquire all necessary supplemental electric energy from the Utility in order to meet its power needs at the Facility; and
- iv. Proof of insurance for all insurance required to be maintained by Seller under this Agreement.



c. **Failure of Conditions.** If any of the conditions listed in subsections (a) or (b) above are not satisfied by the applicable dates specified in those subsections, the Parties will attempt in good faith to negotiate new dates for the satisfaction of the failed conditions. If the Parties are unable to negotiate new dates then the Party that has not failed to meet an obligation may terminate this Agreement upon ten (10) days written notice to the other Party without liability for costs or damages or triggering a default under this Agreement.

7. **Seller's Rights and Obligations.**

a. **Permits and Approvals.** Seller, with Purchaser's reasonable cooperation, shall use commercially reasonable efforts to obtain, at its sole cost and expense:

- i. any zoning, land use and building permits required to construct, install and operate the System; and
- ii. any agreements and approvals from the Utility necessary in order to interconnect the System to the Facility electrical system and/or the Utility's electric distribution system.

Purchaser shall cooperate with Seller's reasonable requests to assist Seller in obtaining such agreements, permits and approvals.

- b. **Standard System Repair and Maintenance.** Seller shall construct and install the System at the Facility. During the Term, Seller will operate and perform all routine and emergency repairs to, and maintenance of, the System at its sole cost and expense, except for any repairs or maintenance resulting from Purchaser's negligence, willful misconduct or breach of this Agreement or the Site Lease (if applicable). Seller shall not be responsible for any work done by others on any part of the System unless Seller authorizes that work in advance in writing. Seller shall not be responsible for any loss, damage, cost or expense arising out of or resulting from improper environmental controls or improper operation or maintenance of the System by anyone other than Seller or Seller's contractors. If the System requires repairs for which Purchaser is responsible, Purchaser shall pay Seller for diagnosing and correcting the problem at Seller or Seller's contractors' then current standard rates. Seller shall provide Purchaser with reasonable notice prior to accessing the Facility to make standard repairs.
- c. **Non-Standard System Repair and Maintenance.** If Seller incurs incremental costs to maintain the System due to conditions at the Facility or due to the inaccuracy of any information provided by Purchaser and relied upon by Seller, the pricing, schedule and other terms of this Agreement will be equitably adjusted to compensate for any work in excess of normally expected work required to be performed by Seller. In such event, the Parties will negotiate such equitable adjustment in good faith.
- d. **Breakdown Notice.** Seller shall notify Purchaser within twenty-four (24) hours following Seller's discovery of (i) any material malfunction in the operation of the System or (ii) an interruption in the supply of electrical energy from the System. Purchaser and Seller shall each designate personnel and establish procedures such that each Party may provide notice of such conditions requiring Seller's repair or alteration at all times, twenty-four (24) hours per day, including weekends and holidays. Purchaser and Seller shall use their best efforts to notify the other immediately upon the discovery of an emergency condition affecting the System.
- e. **Suspension.** Notwithstanding anything to the contrary herein, Seller shall be entitled to suspend delivery of electricity from the System to the Delivery Point for the purpose of maintaining and repairing the System and such suspension of service shall not constitute a breach of this Agreement; provided, that Seller shall use commercially reasonable efforts to minimize any interruption in service to the Purchaser.
- f. **Use of Contractors and Subcontractors.** Seller shall be permitted to use contractors and subcontractors to perform its obligations under this Agreement, provided however, that such contractors and subcontractors shall be duly licensed and shall provide any work in accordance with applicable industry standards. Notwithstanding the foregoing, Seller shall continue to be responsible for the quality of the work performed by its contractors and subcontractors. All contractors and subcontractors to be used for the construction of the System, other than those that may be scheduled on an appendix to this Exhibit, shall be subject to Purchaser's prior written consent, not to be unreasonably withheld.
- g. **Liens and Payment of Contractors and Suppliers.** Seller shall pay when due all valid charges from all contractors, subcontractors and suppliers supplying goods or services to Seller under this Agreement and shall keep the Facility free and clear of any liens related to such charges, except for those liens which Seller is permitted by law to place on the Facility following non-payment by Purchaser of amounts due under this Agreement. Seller shall indemnify Purchaser for all claims, losses, damages, liabilities and expenses resulting from any liens filed against the Facility or the Premises in connection with such charges, including a reasonable attorney's fee; provided, however, that Seller shall have the right to contest any such lien, so long as it provides a statutory bond or other reasonable assurances of payment that either remove such lien from title to the Facility and the Premises or that assure that any adverse judgment with respect to such lien will be paid without affecting title to the Facility and the Premises.

- h. No Warranty.** NO WARRANTY OR REMEDY, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE SHALL APPLY. The remedies set forth in this Agreement shall be Purchaser's sole and exclusive remedies for any claim or liability arising out of or in connection with this Agreement, whether arising in contract, tort (including negligence), strict liability or otherwise. [The Limited Warranty will provide Purchaser with a separate contract from this Agreement. No rights provided to Purchaser by the Limited Warranty may be asserted under this Agreement. No warranty is made in this Agreement. Therefore, any warranty claim must be made independently of this Agreement and will not affect Purchaser's obligations under this Agreement.]
- 8. Purchaser's Rights and Obligations.**
- a. License to the Premises; Facility Access Rights.** Purchaser grants to Seller and to Seller's agents, employees, contractors and assignees an irrevocable non-exclusive license running with the Premises (the "**License**") for access to, on, over, under and across the Premises for the purposes of (i) installing, constructing, operating, owning, maintaining, accessing, removing and replacing the System; (ii) performing all of Seller's obligations and enforcing all of Seller's rights set forth in this Agreement; and (iii) installing, using and maintaining electric lines and equipment, including inverters and meters necessary to interconnect the System to Purchaser's electric system at the Facility, to the Utility's electric distribution system, if any, or for any other purpose that may from time to time be useful or necessary in connection with the construction, installation, operation, maintenance or repair of the System. Seller shall notify Purchaser prior to entering the Facility except in situations where there is imminent risk of damage to persons or property. The term of the License shall continue until the date that is one hundred and twenty (120) days following the date of expiration or termination of this Agreement (the "**License Term**"). During the License Term, Purchaser shall ensure that Seller's rights under the License and Seller's access to the Premises and the Facility are preserved and protected. Purchaser shall not interfere with nor shall permit any third parties to interfere with such rights or access. The grant of the License shall survive termination of this Agreement by either Party.
- b. OSHA Compliance.** Both parties shall ensure that all Occupational Safety and Health Act (OSHA) requirements and other similar applicable safety laws or codes are adhered to in their performance under this Agreement.
- c. Maintenance of Facility.** Purchaser shall, at its sole cost and expense, maintain the Facility in good condition and repair. Purchaser will ensure that the Facility remains interconnected to the local utility grid at all times and will not permit cessation of electric service to the Facility from the local utility. Purchaser is fully responsible for the maintenance and repair of the Facility's electrical system and of all of Purchaser's equipment that utilizes the System's outputs. Purchaser shall properly maintain in full working order all of Purchaser's electric supply or generation equipment that Purchaser may shut down while utilizing the System. Purchaser shall promptly notify Seller of any matters of which it is aware pertaining to any damage to or loss of use of the System or that could reasonably be expected to adversely affect the System.
- d. No Alteration of Facility.** Purchaser shall not make any alterations or repairs to the Facility which could adversely affect the operation and maintenance of the System without Seller's prior written consent. If Purchaser wishes to make such alterations or repairs, Purchaser shall give prior written notice to Seller, setting forth the work to be undertaken (except for emergency repairs, for which notice may be given by telephone), and give Seller the opportunity to advise Purchaser in making such alterations or repairs in a manner that avoids damage to the System, but, notwithstanding any such advice, Purchaser shall be responsible for all damage to the System caused by Purchaser or its contractors. To the extent that temporary disconnection or removal of the System is necessary to perform such alterations or repairs, such work and any replacement of the System after completion of Purchaser's alterations and repairs, shall be done by Seller or its contractors at Purchaser's cost. All of Purchaser's alterations and repairs will be done in a good and workmanlike manner and in compliance with all applicable laws, codes and permits.

- e. **Outages.** Purchaser shall be permitted to be off line for a total of forty-eight (48) daylight hours (each, a “**Scheduled Outage**”) per calendar year during the Term, during which days Purchaser shall not be obligated to accept or pay for electricity from the System; provided, however, that Purchaser must notify Seller in writing of each such Scheduled Outage at least forty-eight (48) hours in advance of the commencement of a Scheduled Outage. In the event that Scheduled Outages exceed a total of forty-eight (48) daylight hours per calendar year or there are unscheduled outages, in each case for a reason other than a Force Majeure event, Seller shall reasonably estimate the amount of electricity that would have been delivered to Purchaser during such excess Scheduled Outages or unscheduled outages and shall invoice Purchaser for such amount in accordance with Section 4. In the event that the Purchaser needs to make roof repairs, the Purchaser shall be permitted to be offline for a total of ten (10) days every ten (10) years.
- f. **Liens.** Purchaser shall not directly or indirectly cause, create, incur, assume or allow to exist any mortgage, pledge, lien, charge, security interest, encumbrance or other claim of any nature on or with respect to the System or any interest therein. Purchaser shall immediately notify Seller in writing of the existence of any such mortgage, pledge, lien, charge, security interest, encumbrance or other claim, shall promptly cause the same to be discharged and released of record without cost to Seller, and shall indemnify Seller against all costs and expenses (including reasonable attorneys’ fees) incurred in discharging and releasing any such mortgage, pledge, lien, charge, security interest, encumbrance or other claim. Notwithstanding anything else herein to the contrary, pursuant to Section 19.a, Seller may grant a lien on the System and may assign, mortgage, pledge or otherwise collaterally assign its interests in this Agreement and the System to any Financing Party.
- g. **Security.** Purchaser shall be responsible for using commercially reasonable efforts to maintain the physical security of the Facility and the System against known risks and risks that should have been known by Purchaser. Purchaser will not conduct activities on, in or about the Premises or the Facility that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the System.
- h. **Insolation.** Purchaser understands that unobstructed access to sunlight (“**Insolation**”) is essential to Seller’s performance of its obligations and a material term of this Agreement. Purchaser shall not in any way cause and, where possible, shall not in any way permit any interference with the System’s Insolation. If Purchaser becomes aware of any activity or condition that could diminish the Insolation of the System, Purchaser shall notify Seller immediately and shall cooperate with Seller in preserving the System’s existing Insolation levels. The Parties agree that reducing Insolation would irreparably injure Seller, that such injury may not be adequately compensated by an award of money damages, and that Seller is entitled to seek specific enforcement of this Section 8(h) against Purchaser.
- i. **Data Line.** Purchaser shall provide Seller a high speed internet data line via wireless access from the purchaser’s administration building during the Term to enable Seller to record the electric energy generated by the System. If hard wiring is required, seller shall provide that from its metering equipment to the seller’s router. If Purchaser fails to provide such high speed internet data line, or if such line ceases to function and is not repaired, Seller may reasonably estimate the amount of electric energy that was generated and invoice Purchaser for such amount in accordance with Section 4.
- j. **Breakdown Notice.** Purchaser shall use its best efforts to notify Seller within twenty-four (24) hours following the discovery by it of (i) any material malfunction in the operation of the System; or (ii) any occurrences that could reasonably be expected to adversely affect the System. Purchaser shall use its best efforts to notify Seller immediately upon (i) an interruption in the supply of electrical energy from the System; or (ii) the discovery of an emergency condition respecting the System. Purchaser and Seller shall each designate personnel and establish procedures such that each Party may provide notice of such conditions requiring Seller’s repair or alteration at all times, twenty-four (24) hours per day, including weekends and holidays.
9. **Change in Law.**

“**Change in Law**” means (i) the enactment, adoption, promulgation, modification or repeal after the Effective Date of any applicable law or regulation; (ii) the imposition of any material conditions on the issuance or renewal of any applicable permit after the Effective Date of this Agreement (notwithstanding the general requirements contained in any applicable Permit at the time of application or issue to comply with future laws, ordinances, codes, rules, regulations or similar legislation), or (iii) a change in any utility rate schedule or tariff approved by any Governmental Authority which in the case

of any of (i), (ii) or (iii), establishes requirements affecting owning, supplying, constructing, installing, operating or maintaining the System, or other performance of the Seller's obligations hereunder and which has a material adverse effect on the cost to Seller of performing such obligations; provided, that a change in federal, state, county or any other tax law after the Effective Date of this Agreement shall not be a Change in Law pursuant to this Agreement.

If any Change in Law occurs that has a material adverse effect on the cost to Seller of performing its obligations under this Agreement, then the Parties shall, within thirty (30) days following receipt by Purchaser from Seller of notice of such Change in Law, meet and attempt in good faith to negotiate amendments to this Agreement as are reasonably necessary to preserve the economic value of this Agreement to both Parties. If the Parties are unable to agree upon such amendments within such thirty (30) day period, then Seller shall have the right to terminate this Agreement without further liability to either Party except with respect to payment of amounts accrued prior to termination.

**10. Relocation of System.**

- a. **System Relocation.** If Purchaser ceases to conduct business operations at the Facility, or otherwise vacates the Facility prior to the expiration of the Term, Purchaser shall have the option to provide Seller with a mutually agreeable substitute premises located within the same Utility district as the terminated System or in a location with similar Utility rates and Insolation. Purchaser shall provide written notice at least sixty (60) days but not more than one hundred eighty (180) days prior to the date that it wants to make this substitution. In connection with such substitution, Purchaser shall execute an amended agreement that shall have all of the same terms as this Agreement except for the (i) Effective Date; (ii) License, which will be amended to grant rights in the real property where the System relocated to; and (iii) Term, which will be equal to the remainder of the Term of this Agreement calculated starting at the shutdown of the System pursuant to such relocation, and shall toll until the relocated System achieves commercial operation of such new location. Such amended agreement shall be deemed to be a continuation of this Agreement without termination. In addition, Purchaser shall be obligated to provide a new executed and notarized easement agreement covering the substitute premises in form and content substantially similar to the Easement Agreement. Purchaser shall also provide any new consents, estoppels, or acknowledgments reasonably required by Financing Parties in connection with the substitute premises.
- b. **Costs of Relocation.** Purchaser shall pay all costs associated with relocation of the System, including all costs and expenses incurred by or on behalf of Seller in connection with removal of the System from the Facility and installation and testing of the System at the substitute facility and all applicable interconnection fees and expenses at the substitute facility, as well as costs of new title search and other out-of-pocket expenses connected to preserving and refiling the security interests of Seller's Financing Parties in the System. In addition, Purchaser shall pay Seller an amount equal to the sum of (i) payments that Purchaser would have made to Seller hereunder for electric energy that would have been produced by the System during the relocation; (ii) revenues that Seller would have received with respect to the System under any rebate program and any other assistance program with respect to electric energy that would have been produced during the relocation; and (iii) revenues from Environmental Attributes and Tax Attributes that Seller would have received with respect to electric energy that would have been produced by the System during the relocation. Determination of the amount of energy that would have been produced during the relocation shall be based, during the first Contract Year, on the estimated levels of production and, after the first Contract Year, based on actual operation of the System in the same period in the previous Contract Year, unless Seller and Purchaser mutually agree to an alternative methodology. "**Contract Year**" means the twelve month period beginning at 12:00 AM on the Commercial Operation Date or on any anniversary of the Commercial Operation Date and ending at 11:59 PM on the day immediately preceding the next anniversary of the Commercial Operation Date, provided that the first Contract Year shall begin on the Commercial Operation Date.
- c. **Adjustment for Insolation; Termination.** Seller shall remove the System from the vacated Facility prior to the termination of Purchaser's ownership, lease or other rights to use such Facility. Seller will not be required to restore the Facility to its prior condition but shall promptly pay Purchaser for any damage caused by Seller during removal of the System, but not for normal wear and tear. If the substitute facility has inferior Insolation as compared to the original Facility, Seller shall have the right to make an adjustment to **Exhibit 1** such that Purchaser's payments to Seller are the same as if the System were located at the original Facility. If Purchaser is unable to provide such substitute facility and to relocate the System as provided, any early termination will be treated as a default by Purchaser.

**11. Default, Remedies and Damages.**

- a. **Default.** Any Party that fails to perform its responsibilities as listed below or experiences any of the circumstances listed below shall be deemed a "**Defaulting Party**" and each event of default shall be a "**Default Event**";
- i. failure of a Party to pay any amount due and payable under this Agreement, other than an amount that is subject to a good faith dispute, within ten (10) days following receipt of written notice from the other Party (the "**Non-Defaulting Party**") of such failure to pay ("**Payment Default**");

- ii. failure of a Party to substantially perform any other material obligation under this Agreement within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure; provided, that such thirty (30) day cure period shall be extended (but not beyond ninety (90) days) if and to the extent reasonably necessary to cure the Default Event, if (A) the Defaulting Party initiates such cure with the thirty (30) day period and continues such cure to completion and (B) there is no material adverse affect on the Non-Defaulting Party resulting from the failure to cure the Default Event;
- iii. if any representation or warranty of a Party proves at any time to have been incorrect in any material respect when made and is material to the transactions contemplated hereby, if the effect of such incorrectness is not cured within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure;
- iv. Purchaser loses its rights to occupy and enjoy the Premises;
- v. a Party, or its guarantor, becomes insolvent or is a party to a bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or any general assignment for the benefit of creditors or other similar arrangement or any event occurs or proceedings are taken in any jurisdiction with respect to the Party which has a similar effect; or
- vi. Purchaser prevents Seller from installing the System or otherwise failing to perform in a way that prevents the delivery of electric energy from the System. Such Default Event shall not excuse Purchaser's obligations to make payments that otherwise would have been due under this Agreement.

**b. Remedies.**

- i. Remedies for Payment Default. If a Payment Default occurs, the Non-Defaulting Party may suspend performance of its obligations under this Agreement. Further, the Non-Defaulting Party may pursue any remedy under this Agreement, at law or in equity, including an action for damages and termination of this Agreement, upon five (5) days prior written notice to the Defaulting Party following the Payment Default.
- ii. Remedies for Other Defaults: On the occurrence of a Default Event other than a Payment Default, the Non-Defaulting Party may pursue any remedy under this Agreement, at law or in equity, including an action for damages and termination of this Agreement or suspension of performance of its obligations under this Agreement, upon five (5) days prior written notice to the Defaulting Party following the occurrence of the Default Event. Nothing herein shall limit either Party's right to collect damages upon the occurrence of a breach or a default by the other Party that does not become a Default Event. If Purchaser terminates this contract without cause prior to System installation a five thousand dollar (\$5,000) design cancellation fee shall also apply in addition to any other remedy available to Seller.
- iii. Damages Upon Termination by Default. Upon a termination of this Agreement by the Non-Defaulting Party as a result of a Default Event by the Defaulting Party, the Defaulting Party shall pay a Termination Payment to the Non-Defaulting Party determined as follows (the "**Termination Payment**"):
  - A. Purchaser. If Purchaser is the Defaulting Party and Seller terminates this Agreement, the Termination Payment to Seller shall be equal to, for any given Contract Year, the amount set forth on **Exhibit 4, Attachment A** attached hereto. The Parties agree that actual damages to Seller in the event this Agreement terminates prior to the expiration of the Term as the result of a Default Event by Purchaser would be difficult to ascertain, and the applicable Termination Payment is a reasonable approximation of the damages suffered by Seller as a result of early termination of this Agreement. The Termination Payment shall not be less than zero.

- B. Seller. If Seller is the Defaulting Party and Purchaser terminates this Agreement, the Termination Payment to Purchaser shall be equal to the sum of (1) the net present value of the excess, if any, of the reasonably expected cost of electric energy from the Utility over the Contract Price for the reasonably expected production of the System for the remainder of the Initial Term or the then current Additional Term, as applicable; (2) all costs reasonably incurred by Purchaser in re-converting its electric supply to service from the Utility; (3) any removal costs incurred by Purchaser, and (4) any and all other amounts previously accrued under this Agreement and then owed by Seller to Purchaser. The Termination Payment shall not be less than zero.
- C. Obligations Following Termination. If a Non-Defaulting Party terminates this Agreement pursuant to this Section 11(b), then following such termination, Seller shall, at the sole cost and expense of the Defaulting Party, remove the equipment (except for mounting pads and support structures) constituting the System. The Non-Defaulting Party shall take all commercially reasonable efforts to mitigate its damages as the result of a Default Event.

## 12. Representations and Warranties.

### a. General Representations and Warranties. Each Party represents and warrants to the other the following:

- i. Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; the execution, delivery and performance by such Party of this Agreement have been duly authorized by all necessary corporate, partnership or limited liability company action, as applicable, and do not and shall not violate any law; and this Agreement is valid obligation of such Party, enforceable against such Party in accordance with its terms (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally).
- ii. Such Party has obtained all licenses, authorizations, consents and approvals required by any Governmental Authority or other third party and necessary for such Party to own its assets, carry on its business and to execute and deliver this Agreement; and such Party is in compliance with all laws that relate to this Agreement in all material respects.

### b. Purchaser's Representations and Warranties. Purchaser represents and warrants to Seller the following:

- i. License. Purchaser has the full right, power and authority to grant the License contained in Section 8(a). Such grant of the License does not violate any law, ordinance, rule or other governmental restriction applicable to Purchaser or the Facility and is not inconsistent with and will not result in a breach or default under any agreement by which Purchaser is bound or that affects the Facility. If Purchaser does not own the Premises or Facility, Purchaser has obtained all required consents from the owner of the Premises and/or Facility to grant the License and enter into and perform its obligations under this Agreement.
- ii. Other Agreements. Neither the execution and delivery of this Agreement by Purchaser nor the performance by Purchaser of any of its obligations under this Agreement conflicts with or will result in a breach or default under any agreement or obligation to which Purchaser is a party or by which Purchaser or the Facility is bound.
- iii. Accuracy of Information. All information provided by Purchaser to Seller, as it pertains to the Facility's physical configuration, Purchaser's planned use of the Facility, and Purchaser's estimated electricity requirements, is accurate in all material respects.
- iv. Purchaser Status. Purchaser is not a public utility or a public utility holding company and is not subject to regulation as a public utility or a public utility holding company.
- v. No Pool Use. No electricity generated by the System will be used to heat a swimming pool.



- vi. Oregon Only: The electricity generated by the System will be used solely for commercial and business purposes. No portion of the electricity generated will be used for personal, family, household or agricultural purposes.

**13. System and Facility Damage and Insurance.**

**a. System and Facility Damage.**

- i. Seller's Obligations. If the **System** is damaged or destroyed other than by Purchaser's gross negligence or willful misconduct, Seller shall promptly repair and restore the System to its pre-existing condition; provided, however, that if more than fifty percent (50%) of the System is destroyed during the last five (5) years of the Initial Term or during any Additional Term, Seller shall not be required to restore the System, but may instead terminate this Agreement, unless Purchaser agrees (A) to pay for the cost of such restoration of the System or (B) to purchase the System "AS-IS" at the greater of (1) the Fair Market Value of the System for any given Contract Year, the amount set forth on Exhibit 4, Attachment A attached hereto.
- ii. Purchaser's Obligations. If the **Facility** is damaged or destroyed by casualty of any kind or any other occurrence other than Seller's gross negligence or willful misconduct, such that the operation of the System and/or Purchaser's ability to accept the electric energy produced by the System are materially impaired or prevented, Purchaser shall promptly repair and restore the Facility to its pre-existing condition; provided, however, that if more than 50% of the Facility is destroyed during the last five years of the Initial Term or during any Additional Term, Purchaser may elect either (A) to restore the Facility or (B) to pay the Termination Payment and all other costs previously accrued but unpaid under this Agreement and thereupon terminate this Agreement.

**b. Insurance Coverage.** At all times during the Term, Seller and Purchaser shall maintain the following insurance:

- i. Seller's Insurance. Seller shall maintain (A) property insurance on the System for the replacement cost thereof, (B) commercial general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate, (C) employer's liability insurance with coverage of at least \$1,000,000 and (iv) workers' compensation insurance as required by law.

**c. Policy Provisions.** All insurance policies provided hereunder shall (i) contain a provision whereby the insurer agrees to give the party not providing the insurance (A) not less than ten (10) days written notice before the insurance is cancelled, or terminated as a result of non-payment of premiums, or (B) not less than thirty (30) days written notice before the insurance is otherwise cancelled or terminated, (ii) be written on an occurrence basis, and (iii) be maintained with companies either rated no less than A-VII as to Policy Holder's Rating in the current edition of A.M. Best's Insurance Guide or otherwise reasonably acceptable to the other party.

**d. Certificates.** Upon the other Party's request each Party shall deliver the other Party certificates of insurance evidencing the above required coverage. A Party's receipt, review or acceptance of such certificate shall in no way limit or relieve the other Party of the duties and responsibilities to maintain insurance as set forth in this Agreement.

**e. Deductibles.** Unless and to the extent that a claim is covered by an indemnity set forth in this Agreement, each Party shall be responsible for the payment of its own deductibles.

**14. Ownership; Option to Purchase.**

- a. **Ownership of System.** Throughout the Term, Seller shall be the legal and beneficial owner of the System at all times, including all Environmental Attributes, and the System shall remain the personal property of Seller and shall not attach to or be deemed a part of, or fixture to, the Facility or the Premises. Each of the Seller and Purchaser agree that the Seller (or the designated assignee of Seller permitted under Section 17 ) is the tax owner of the System and all tax filings and reports will be filed in a manner consistent with this Agreement. [The System shall at all times retain the legal status of personal property as defined under Article 9 of the Uniform Commercial Code]. Purchaser covenants that it will use commercially reasonable efforts to place all parties having an interest in or a mortgage, pledge, lien, charge, security interest, encumbrance or other claim of any nature on the Facility or the Premises on notice of the ownership of the System and the legal status or classification of the System as personal property. If there is any mortgage or fixture filing against the Premises which could reasonably be construed as prospectively attaching to the System as a fixture of the Premises, Purchaser shall provide a disclaimer or release from such lienholder. If Purchaser is the fee owner of the Premises, Purchaser consents to the filing of a disclaimer of the System as a fixture of the Premises in the office where real estate records are customarily filed in the jurisdiction where the Facility is located. If Purchaser is not the fee owner, Purchaser will obtain such consent from such owner. Upon request, Purchaser agrees to deliver to Seller a non-disturbance agreement in a form reasonably acceptable to Seller from the owner of the Facility (if the Facility is leased by Purchaser), any mortgagee with a lien on the Premises, and other Persons holding a similar interest in the Premises. To the extent that Purchaser does not own the Premises or Facility, Purchaser shall provide to Seller immediate written notice of receipt of notice of eviction from the Premises or Facility or termination of Purchaser's lease of the Premises and/or Facility.
- b. **Option to Purchase.**
- i. **Exercise of Option.** At the end of the sixth (6th) and tenth (10th) Contract Years and at the end of the Initial Term and each Additional Term, so long as Purchaser is not in default under this Agreement, Purchaser may purchase the System from Seller on any such date for a purchase price equal to the greater of the Fair Market Value of the System or the Termination Payment set forth in Section 6 of Exhibit 1 applicable as of the date of the transfer of title to the System. Purchaser shall notify Seller of its intent to purchase at least ninety (90) days and not more than one hundred eighty (180) days prior to the end of the applicable Contract Year or the Initial Term or Additional Term, as applicable, and the purchase shall be completed prior to the end of the applicable Contract Year or the Initial Term or Additional Term, as applicable.
  - ii. **Fair Market Value.** The "Fair Market Value" of the System shall be determined by mutual agreement of the Parties; provided, however, if the Parties cannot agree to a Fair Market Value within thirty (30) days after Purchaser has delivered to Seller a notice of its intent to purchase the System, the Parties shall select a nationally recognized independent appraiser with experience and expertise in the solar photovoltaic industry to determine the Fair Market Value of the System. Such appraiser shall act reasonably and in good faith to determine the Fair Market Value of the System on an installed basis and shall set forth such determination in a written opinion delivered to the Parties. The valuation made by the appraiser will be binding upon the Parties in the absence of fraud or manifest error. The costs of the appraisal shall be borne by the Parties equally.
  - iii. **Title Transfer; Warranties; Manuals.** Seller shall transfer good title to the System to Purchaser upon Seller's receipt of the purchase price and execution by the Parties of a written instrument or agreement to effect such transfer. The System will be sold "as is, where is, with all faults". Seller will assign to Purchaser any manufacturer's warranties that are in effect as of the date of purchase and which are then assignable pursuant to their terms, but Seller otherwise disclaims all warranties of any kind, express or implied, concerning the System (other than as to title). Seller shall also provide Purchaser all System operation and maintenance manuals and logs in Seller's possession and provide Purchaser basic training on the operation and maintenance of the System upon Purchaser's reasonable request. Upon purchase of the System, Purchaser shall assume complete responsibility for the operation and maintenance of the System and liability for the performance of (and risk of loss for) the System, and, except for any Seller obligations that survive termination under Section 20(d), Seller will have no further liabilities or obligations hereunder for the System.

**15. Indemnification and Limitations of Liability.**

- a. **General.** Each Party (the “**Indemnifying Party**”) shall defend, indemnify and hold harmless the other Party and the directors, officers, shareholders, partners, members, agents and employees of such other Party, and the respective affiliates of each thereof (collectively, the “**Indemnified Parties**”), from and against all loss, damage, expense, liability and other claims, including court costs and reasonable attorneys’ fees (collectively, “**Liabilities**”) resulting from any third party actions relating to the breach of any representation or warranty set forth in Section 14 and from injury to or death of persons, and damage to or loss of property to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, the Indemnifying Party (or its contractors, agents or employees) in connection with this Agreement; provided, however, that nothing herein shall require the Indemnifying Party to indemnify the Indemnified Party for any Liabilities to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, the Indemnified Party. This Section 15(a) however, shall not apply to liability arising from any form of hazardous substances or other environmental contamination, such matters being addressed exclusively by Section 15(c).
- b. **Notice and Participation in Third Party Claims.** The Indemnified Party shall give the Indemnifying Party written notice with respect to any Liability asserted by a third party (a “**Claim**”), as soon as possible upon the receipt of information of any possible Claim or of the commencement of such Claim. The Indemnifying Party may assume the defense of any Claim, at its sole cost and expense, with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. The Indemnified Party may, however, select separate counsel if both Parties are defendants in the Claim and such defense or other form of participation is not reasonably available to the Indemnifying Party. The Indemnifying Party shall pay the reasonable attorneys’ fees incurred by such separate counsel until such time as the need for separate counsel expires. The Indemnified Party may also, at the sole cost and expense of the Indemnifying Party, assume the defense of any Claim if the Indemnifying Party fails to assume the defense of the Claim within a reasonable time. Neither Party shall settle any Claim covered by this Section 15(b) unless it has obtained the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. The Indemnifying Party shall have no liability under this Section 15(b) for any Claim for which such notice is not provided if that the failure to give notice prejudices the Indemnifying Party.
- c. **Environmental Indemnification.** Seller shall indemnify, defend and hold harmless all of Purchaser’s Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance (as defined in Section 15(c)(i)) to the extent deposited, spilled or otherwise caused by Seller or any of its contractors or agents. Purchaser shall indemnify, defend and hold harmless all of Seller’s Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance, except to the extent deposited, spilled or otherwise caused by Seller or any of its contractors or agents. Each Party shall promptly notify the other Party if it becomes aware of any Hazardous Substance on or about the Premises or the Premises generally or any deposit, spill or release of any Hazardous Substance.
- i. **“Hazardous Substance”** means any chemical, waste or other substance (A) which now or hereafter becomes defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” “pollution,” “pollutants,” “regulated substances,” or words of similar import under any laws pertaining to the environment, health, safety or welfare, (B) which is declared to be hazardous, toxic, or polluting by any Governmental Authority, (C) exposure to which is now or hereafter prohibited, limited or regulated by any Governmental Authority, (D) the storage, use, handling, disposal or release of which is restricted or regulated by any Governmental Authority, or (E) for which remediation or cleanup is required by any Governmental Authority.
- d. **Limitations on Liability.**
- i. **No Consequential Damages.** Neither Party nor its directors, officers, shareholders, partners, members, agents and employees subcontractors or suppliers shall be liable for any indirect, special, incidental, exemplary, or consequential loss or damage of any nature arising out of their performance or non-performance hereunder even if advised of such.

- ii. Actual Damages. Seller's aggregate liability under this Agreement arising out of or in connection with the performance or non-performance of this Agreement shall not exceed the total payments made (or, as applicable, projected to be made) by Purchaser under this Agreement. The provisions of this Section 15(d)(ii) shall apply whether such liability arises in contract, tort (including negligence), strict liability or otherwise. Any action against Seller must be brought within one (1) year after the cause of action accrues.

**16. Force Majeure.**

- a. "Force Majeure" means any event or circumstances beyond the reasonable control of and without the fault or negligence of the Party claiming Force Majeure. It shall include, without limitation, failure or interruption of the production, delivery or acceptance of electricity due to: an act of god; war (declared or undeclared); sabotage; riot; insurrection; civil unrest or disturbance; military or guerilla action; terrorism; economic sanction or embargo; civil strike, work stoppage, slow-down, or lock-out; explosion; fire; earthquake; abnormal weather condition or actions of the elements; hurricane; flood; lightning; wind; drought; the binding order of any Governmental Authority (provided that such order has been resisted in good faith by all reasonable legal means); the failure to act on the part of any Governmental Authority (provided that such action has been timely requested and diligently pursued); unavailability of electricity from the utility grid, equipment, supplies or products (but not to the extent that any such availability of any of the foregoing results from the failure of the Party claiming Force Majeure to have exercised reasonable diligence); and failure of equipment not utilized by or under the control of the Party claiming Force Majeure.
- b. Except as otherwise expressly provided to the contrary in this Agreement, if either Party is rendered wholly or partly unable to timely perform its obligations under this Agreement because of a Force Majeure event, that Party shall be excused from the performance affected by the Force Majeure event (but only to the extent so affected) and the time for performing such excused obligations shall be extended as reasonably necessary; provided, that: (i) the Party affected by such Force Majeure event, as soon as reasonably practicable after obtaining knowledge of the occurrence of the claimed Force Majeure event, gives the other Party prompt oral notice, followed by a written notice reasonably describing the event; (ii) the suspension of or extension of time for performance is of no greater scope and of no longer duration than is required by the Force Majeure event; and (iii) the Party affected by such Force Majeure event uses all reasonable efforts to mitigate or remedy its inability to perform as soon as reasonably possible. The Term shall be extended day for day for each day performance is suspended due to a Force Majeure event.
- c. Notwithstanding anything herein to the contrary, the obligation to make any payment due under this Agreement shall not be excused by a Force Majeure event that solely impacts Purchaser's ability to make payment.
- d. If a Force Majeure event continues for a period of ninety (90) days or more within a twelve (12) month period and prevents a material part of the performance by a Party hereunder, the Party not claiming the Force Majeure shall have the right to terminate this Agreement without fault or further liability to either Party (except for amounts accrued but unpaid).

**17. Assignment and Financing.**

- a. **Assignment.** This Agreement may not be assigned in whole or in part by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Seller may, without the prior written consent of Purchaser, but with 60 day written notice to the Purchaser, (i) assign, mortgage, pledge or otherwise collaterally assign its interests in this Agreement and the System to any Financing Party, (ii) directly or indirectly assign this Agreement and the System to an affiliate or subsidiary of Seller, (iii) assign this Agreement and the System to any entity through which Seller is obtaining financing or capital for the System and (iv) assign this Agreement and the System to any person succeeding to all or substantially all of the assets of Seller. However, any assignment of Seller's right and/or obligations under this Agreement, shall not result in any change to Purchaser's rights and obligations under this Agreement. Purchaser's consent to any other assignment shall not be unreasonably withheld if Purchaser has been provided with reasonable proof that the proposed assignee (x) has comparable experience in operating and maintaining photovoltaic solar systems comparable to the System and providing services comparable to those contemplated by this Agreement and (y) has the financial capability to maintain the System and provide the services contemplated by this Agreement in the manner required by this Agreement. This Agreement shall be binding on and inure to the benefit of the successors and permitted assignees.
- b. **Financing.** The Parties acknowledge that Seller may obtain construction and long-term financing or other credit support from one or more Financing Parties. "**Financing Parties**" means person or persons providing construction or permanent financing to Seller in connection with construction, ownership, operation and maintenance of the System, or if applicable, means any person to whom Seller has transferred the ownership interest in the System, subject to a leaseback of the System from such person. Both Parties agree in good faith to consider and to negotiate changes or additions to this Agreement that may be reasonably requested by the Financing Parties; provided, that such changes do not alter the fundamental economic terms of this Agreement. In furtherance of Seller's financing arrangements and in addition to any other rights or entitlements of Seller under this Agreement, Purchaser shall timely execute any consents to assignment (which may include notice, cure, attornment and step-in rights) or estoppels and negotiate any amendments to this Agreement that may be reasonably requested by Seller or the Financing Parties; provided, that such estoppels, consents to assignment or amendments do not alter the fundamental economic terms of this Agreement
- c. **Successor Servicing.** The Parties further acknowledge that in connection with any construction or long term financing or other credit support provided to Seller or its affiliates by Financing Parties, that such Financing Parties may require that Seller or its affiliates appoint a third party to act as backup or successor provider of operation and maintenance services with respect to the System and/or administrative services with respect to this Agreement (the "**Successor Provider**"). Purchaser agrees to accept performance from any Successor Provider so appointed so long as such Successor Provider performs in accordance with the terms of this Agreement.
18. **Goodwill and Publicity.** Neither Party shall use any name, trade name, service mark or trademark of the other Party in any promotional or advertising material without the prior written consent of such other Party. The Parties shall coordinate and cooperate with each other when making public announcements related to the execution and existence of this Agreement, and each Party shall have the right to promptly review, comment upon and approve any publicity materials, press releases or other public statements by the other Party that refer to, or that describe any aspect of, this Agreement. Neither Party shall make any press release or public announcement of the specific terms of this Agreement (except for filings or other statements or releases as may be required by applicable law) without the specific prior written consent of the other Party. Without limiting the generality of the foregoing, all public statements must accurately reflect the rights and obligations of the Parties under this Agreement, including the ownership of Environmental Attributes and Environmental Incentives and any related reporting rights.

## 19. **Miscellaneous Provisions**

- a. **Choice of Law.** The law of the state where the System is located shall govern this Agreement without giving effect to conflict of laws principles.

- b. **Arbitration and Attorney's Fees.** Any dispute arising from or relating to this Agreement shall be arbitrated in Anne Arundel County, MD. The arbitration shall be administered by JAMS (Judicial Arbitration and Mediation Services, Inc.) in accordance with its Comprehensive Arbitration Rules and Procedures, and judgment on any award may be entered in any court of competent jurisdiction. If the Parties agree, a mediator may be consulted prior to arbitration. The prevailing party in any dispute arising out of this Agreement shall be entitled to reasonable attorneys' fees and costs
- c. **Notices.** All notices under this Agreement shall be in writing and shall be by personal delivery, facsimile transmission, electronic mail, overnight courier, or regular, certified, or registered mail, return receipt requested, and deemed received upon personal delivery, acknowledgment of receipt of electronic transmission, the promised delivery date after deposit with overnight courier, or five (5) days after deposit in the mail. Notices shall be sent to the person identified in this Agreement at the addresses set forth in this Agreement or such other address as either party may specify in writing. Each party shall deem a document faxed, emailed or electronically sent in PDF form to it as an original document.
- d. **Survival.** Provisions of this Agreement that should reasonably be considered to survive termination of this Agreement shall survive. For the avoidance of doubt, surviving provisions shall include, without limitation, Section 12 (Representations and Warranties), Section 7(h) (No Warranty), Section 13 (b) (Insurance Coverage), Section 15 (Indemnification and Limits of Liability), Section 19 (a) (Choice of Law), Section 19 (b) (Arbitration and Attorneys' Fees), Section 19 (c) (Notices), Section 19 (g) (Comparative Negligence), Section 19 (h) (Non-Dedication of Facilities), Section 19 (i) (Service Contract), Section 19 (k) (No Partnership) Section 19 (l) (Full Agreement, Modification, Invalidity, Counterparts, Captions) and Section 19 (n) (No Third Party Beneficiaries).
- e. **Further Assurances.** Each of the Parties hereto agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party which are not inconsistent with the provisions of this Agreement and which do not involve the assumptions of obligations other than those provided for in this Agreement, to give full effect to this Agreement and to carry out the intent of this Agreement.
- f. **Right of Waiver.** Each Party, in its sole discretion, shall have the right to waive, defer or reduce any of the requirements to which the other Party is subject under this Agreement at any time (other than with respect to and/or relating to the obligation to make any payment due under this Agreement); provided, however that neither Party shall be deemed to have waived, deferred or reduced any such requirements unless such action is in writing and signed by the waiving Party. No waiver will be implied by any usage of trade, course of dealing or course of performance. A Party's exercise of any rights hereunder shall apply only to such requirements and on such occasions as such Party may specify and shall in no event relieve the other Party of any requirements or other obligations not so specified. No failure of either Party to enforce any term of this Agreement will be deemed to be a waiver. No exercise of any right or remedy under this Agreement by Purchaser or Seller shall constitute a waiver of any other right or remedy contained or provided by law. Any delay or failure of a Party to exercise, or any partial exercise of, its rights and remedies under this Agreement shall not operate to limit or otherwise affect such rights or remedies. Any waiver of performance under this Agreement shall be limited to the specific performance waived and shall not, unless otherwise expressly stated in writing, constitute a continuous waiver or a waiver of future performance.
- g. **Comparative Negligence.** It is the intent of the Parties that where negligence is determined to have been joint, contributory or concurrent, each Party shall bear the proportionate cost of any Liability.
- h. **Non-Dedication of Facilities.** Nothing herein shall be construed as the dedication by either Party of its facilities or equipment to the public or any part thereof. Neither Party shall knowingly take any action that would subject the other Party, or other Party's facilities or equipment, to the jurisdiction of any Governmental Authority as a public utility or similar entity. Neither Party shall assert in any proceeding before a court or regulatory body that the other Party is a public utility by virtue of such other Party's performance under this agreement. If Seller is reasonably likely to become subject to regulation as a public utility, then the Parties shall use all reasonable efforts to restructure their relationship under this Agreement in a manner that preserves their relative economic interests while ensuring that Seller does not become subject to any such regulation. If the Parties are unable to agree upon such restructuring, Seller shall have the right to terminate this Agreement without further liability, and Seller shall remove the System in accordance with Section 11 of this Agreement.

- i. **Estoppel.** Either Party hereto, without charge, at any time and from time to time, within five (5) business days after receipt of a written request by the other party hereto, shall deliver a written instrument, duly executed, certifying to such requesting party, or any other person specified by such requesting Party: (i) that this Agreement is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as so modified, and identifying any such modification; (ii) whether or not to the knowledge of any such party there are then existing any offsets or defenses in favor of such party against enforcement of any of the terms, covenants and conditions of this Agreement and, if so, specifying the same and also whether or not to the knowledge of such party the other party has observed and performed all of the terms, covenants and conditions on its part to be observed and performed, and if not, specifying the same; and (iii) such other information as may be reasonably requested by the requesting Party. Any written instrument given hereunder may be relied upon by the recipient of such instrument, except to the extent the recipient has actual knowledge of facts contained in the certificate.
- j. **Service Contract.** The Parties intend this Agreement to be a “service contract” within the meaning of Section 7701(e)(3) of the Internal Revenue Code of 1986. Purchaser will not take the position on any tax return or in any other filings suggesting that it is anything other than a purchase of electricity from the System.
- k. **No Partnership.** No provision of this Agreement shall be construed or represented as creating a partnership, trust, joint venture, fiduciary or any similar relationship between the Parties. No Party is authorized to act on behalf of the other Party, and neither shall be considered the agent of the other.
- l. **Full Agreement, Modification, Invalidity, Counterparts, Captions.** This Agreement, together with any Exhibits, completely and exclusively states the agreement of the Parties regarding its subject matter and supersedes all prior proposals, agreements, or other communications between the Parties, oral or written, regarding its subject matter. This Agreement may be modified only by a writing signed by both Parties. If any provision of this Agreement is found unenforceable or invalid, such unenforceability or invalidity shall not render this Agreement unenforceable or invalid as a whole. In such event, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law. This Agreement may be executed in any number of separate counterparts and each counterpart shall be considered an original and together shall comprise the same Agreement. The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement.
- m. **Forward Contract.** The transaction contemplated under this Agreement constitutes a “forward contract” within the meaning of the United States Bankruptcy Code, and the Parties further acknowledge and agree that each Party is a “forward contract merchant” within the meaning of the United States Bankruptcy Code.
- n. **No Third Party Beneficiaries.** Except for assignees, Financing Parties and Successor Providers permitted under Section 17, this Agreement and all rights hereunder are intended for the sole benefit of the Parties hereto and shall not imply or create any rights on the part of, or obligations to, any other Person.
- o. **Bonding.**
- i. **Performance bond liability.** Any performance bond issued for a site or system will cease one (1) year from the completion of construction. If a warranty or guarantee is provided under the terms of this Agreement, the balance of any warranty or guarantee beyond one year term of the applicable performance bond shall continue to be guaranteed solely by Seller under the terms of this Agreement. The performance bond does not guarantee any property restorative requirements.
- ii. **Payment bond liability.** Any payment bond issued will cease at the termination of any time required by law.

- iii. Performance Guarantee. Neither payment bonds, whether for labor or materials, nor performance bonds are applicable to any specified performance guarantee.

***End of Exhibit 4***



**Exhibit 4**  
**Attachment A: Termination Payment**

<b>Year</b>	<b>Termination Payment</b>
1	\$ 260,925
2	\$ 247,879
3	\$ 234,833
4	\$ 221,786
5	\$ 208,740
6	\$ 195,694
7	\$ 182,648
8	\$ 169,601
9	\$ 156,555
10	\$ 143,509
11	\$ 130,463
12	\$ 117,416
13	\$ 104,370
14	\$ 91,324
15	\$ 78,278
16	\$ 65,231
17	\$ 52,185
18	\$ 39,139
19	\$ 26,093
20	\$ 26,093
21	Owned by GHI

**Exhibit 5**  
**Form of Memorandum of License**

NOTICE OF GRANT OF INTEREST IN REALTY

[this exhibit deleted]

**Exhibit 6**  
**Easement Agreement**

This EASEMENT AGREEMENT (this "**Agreement**") is made and entered into this 19th day of October, 2018 (the "**Effective Date**"), by and between Greenbelt Homes Incorporated ("Grantor"), and Sustainable Energy Systems LLC ("Grantee").

**Recitals**

A. Grantor is the owner of those certain parcels or tracts of ground located in Greenbelt Homes Inc, known as tax map 27, grid A-4, Parcel 2, and more particularly described by metes and bounds on **Attachment A** attached hereto and incorporated herein (all of which parcels or tracts of ground are referred to herein as the "**Premises**").

B. Grantor and Grantee entered into a certain Solar Power Purchase Agreement (the "**Solar Agreement**") pursuant to which the Grantee has agreed to design, construct, install, operate and maintain a certain solar photovoltaic system on the Premises (the "**System**") for the purpose of providing electric energy to portions of the facilities or facility (the "**Facility**") located on the Premises.

C. Grantor desires to grant to Grantee the rights described herein for the purposes of designing, installing, operating, maintaining and removing the System on and from the Property.

**Agreement**

**NOW, THEREFORE**, in consideration of the foregoing, the mutual covenants and agreements set forth below, and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged and confirmed by Grantor, Grantor and Grantee hereby agree as follows:

1. **Grant of Easement.** Grantor hereby grants and conveys unto Grantee, its successors and assigns, a non-exclusive easement for the period of time set forth herein, across, over, under and above the Facility in order to construct, install, alter, protect, repair, maintain, replace, operate, maintain and remove the System, including any related interconnection equipment and any facilities or equipment appurtenant thereto as Grantee may from time to time require. Grantor also hereby grants and conveys unto Grantee all other easements across, over, under and above the Property as reasonably necessary to provide access to and services reasonably required for Grantee's performance under the Solar Agreement. The easements granted hereunder shall run with and burden the Property for the term of this Agreement.
2. **Term.** This Agreement shall be for a period commencing on the Effective Date and expiring on the date that is the earlier of (a) the thirtieth (30<sup>th</sup>) anniversary of the Effective Date, and (b) one hundred twenty (120) days following expiration of the term of the Solar Agreement, and (c) earlier termination of the Solar Agreement due to default by Grantee thereunder. No delay or interruption by Grantee in the use or enjoyment of any right or easement hereby granted shall result in the loss, limitation or abandonment of any of the right, title, interest, easement or estate granted hereby.
3. **Obstructions.** In addition to the rights afforded Grantee under the Solar Agreement, Grantee may from time to time remove structures, trees, bushes, or other obstructions within such portions of the Facility, and may level and grade such portions of the Property, to the extent reasonably necessary to carry out the purposes set forth herein; provided that Grantor gives its prior written consent to such removal, leveling or grading, such consent not to be unreasonably withheld, delayed or conditioned. Grantor covenants for itself, its heirs, successors and assigns that:

- a. Grantor will not build or place, or allow to be built or placed, any structure or obstruction of any kind within such portions of the Facility on which is located any portion of the System, including any related interconnection equipment; and
  - b. if such a structure or obstruction is built or placed within any portion of the Facility on which is located any portion of the System, including any related interconnection equipment, Grantor will remove the same at the request of the Grantee at no cost to the Grantee. Grantee may erect a fence on such portions of the Property or the Facility on which any portion of the System, are located in order to exclude Grantor and others from accessing such areas provided that Grantor gives its prior written consent, such consent not to be unreasonably withheld, delayed or conditioned.
4. **Reservation of Rights.** Grantor reserves the right to use or authorize others to use the Property and the Facility in any manner not inconsistent with or which will not unreasonably interfere with the rights granted herein, provided, however, that Grantor shall not, nor shall permit others to, disturb the System, including any related interconnection equipment, in any way without prior written approval of the Grantee.
5. **Title.** Grantor represents and warrants to Grantee that (a) Grantor holds fee simple title to the Premises, free and clear of all liens and any other encumbrances, and (b) no lien or other encumbrance to which the Premises is subject would reasonably be expected to adversely impact Grantee's rights hereunder or under the Solar Agreement. Grantor further represents and warrants to Grantee that Grantor has the right to execute and deliver this Agreement and to grant to Grantee the easements and other rights hereunder, and that such grant does not, and will not, violate or breach Grantor's organizational documents, any law, rule or regulation, or any contract, agreement or arrangement to which Grantor is a party or by or to which any of Grantor's assets or properties, including the Premises or the Facility, is bound or subject. In the event that, after the date of this Agreement, Grantor duly grants a mortgage for additional value (the "**Subsequent Mortgage**"), Grantor shall, prior to and as a condition to the effectiveness of such grant of a mortgage, cause the mortgagee under the Subsequent Mortgage to execute and deliver to the Grantee an agreement, in customary form and in form and substance reasonably acceptable to Grantee, acknowledging the subordination of the Subsequent Mortgage to the grant of the easement pursuant to this Agreement (the "**Subordination Agreement**").
6. **Recordation; Possession.** This Agreement may be recorded against the Property by Grantee at Grantee's sole cost and expense. Grantor covenants and agrees, for itself and its assigns and successors, that the Grantee shall be entitled to exercise its rights under this Agreement upon execution and delivery of this Agreement by the Parties hereto, whether or not this Agreement is recorded.
7. **Governing Law.** This Agreement shall be governed by, and interpreted and construed in accordance with, the laws of the State of Maryland, without regard to conflicts of law principles.
8. **Severability.** All provisions of this Agreement are severable and the invalidity or unenforceability of any provision shall not affect or impair the validity or enforceability of the remaining provisions.
9. **Binding Effect; Successors and Assigns.** Grantee shall have the right to assign, apportion, or otherwise transfer any or all of its rights, benefits, privileges, and interests arising in this Agreement in accordance with the terms of the Solar Agreement. Without limiting the generality of the foregoing, the rights and obligations of the Parties shall inure to the benefit of and be binding upon their respective successors and assigns. This Agreement may be amended, modified or terminated only by written instrument, executed and acknowledged by the Parties hereto.
10. **Headings.** The headings used herein are for convenience only and are not to be used in interpreting this Agreement.
11. **Entire Agreement.** This Agreement contains the entire agreement of the Parties with respect to the subject matter hereto and supersedes any prior written or oral agreements with respect to the matters described herein.

12. **Amendments; Acknowledgments.** Grantor shall cooperate in amending this Agreement from time to time to include any provision that may be reasonably requested by Grantee's lender, any assignee of rights under this Agreement, or the lender of any assignee hereunder.
13. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed the original, but which together shall constitute one and the same instrument.

[signature pages follow]

**Exhibit 6**  
**Attachment A**  
Description of the Premises and Facility

The premises where the solar generating facility is to be located is the main offices of Greenbelt Homes Incorporated located at 1 Hamilton Place, Greenbelt, MD 20770.

The sections of the property to be made available for the solar generating equipment are the roofs of the GHI Administration building, the roof of the GHI warehouse building, and a section of the RV & Boat storage area which is the grassy area to the north of the parking lot, as depicted in Exhibit 2 Attachment A graphics.

IN WITNESS WHEREOF, this Easement Agreement has been executed and delivered under seal on this 17<sup>th</sup> day of SEP, 2018.

GRANTOR:

Greenbelt Homes Incorporated  
By: Eldon Ralph  
Print Name: ELDON RALPH  
Title: General Manager

GRANTEE:

Sustainable Energy Systems LLC  
By: M. Z...  
Print Name: Mark Z...  
Title: CEO

**FOR FORM PURPOSES ONLY - DO NOT EXECUTE!**

STATE OF MD :

ss.  
COUNTY OF : Anne Arundel

Be it Remembered, that on this 17<sup>th</sup> day of September, 2019, before me, a Notary Public in and for the State and County aforesaid, personally appeared Eldon Ralph who acknowledged him/herself to be General Mgr of Greenbelt Homes, Inc., and that he/she as such representative, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

CM. McNeill

Notary Public  
My Commission expires: 9/27/2019

**[FOR FORM PURPOSES ONLY - DO NOT EXECUTE]**

**Maesha McNeill**  
NOTARY PUBLIC  
ANNE ARUNDEL COUNTY  
MARYLAND  
MY COMMISSION EXPIRES SEPT. 27, 2019



STATE OF MD :

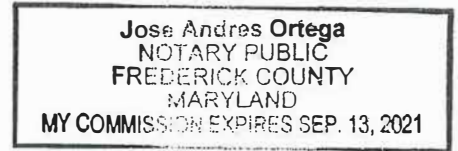
ss.

COUNTY OF : FREDERICK

Be it Remembered, that on this 12 day of OCTOBER, 2019, before me, a Notary Public in and for the State and County aforesaid, personally appeared BAN, RYAN who acknowledged him/herself to be Nicholas of Sustainable Energy Systems and that he/she as such REPRESENTATIVE, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

[Signature]  
Notary Public



My Commission expires:

**[FOR FORM PURPOSES ONLY – DO NOT EXECUTE]**

**Addendum to Section 8 (d)**

1. The purpose of this addendum is to clarify the language found in Section 8 (d), which addresses the responsibilities involved with roof maintenance and the costs/responsibilities associated with the removal and re-installation of the array(s)
2. The seller has provided a "good faith estimate" of \$0.35/watt for the removal/re-installation of the array(s). This estimate will cover all of the necessary labor, permits, and materials.
3. The seller agrees to reassess its estimate if and when the roof requires maintenance/replacement.
4. The seller understands that the purchaser is required to requests bids for any work over \$5,000.00 and is willing to allow the work to be performed by qualified sub-contractors. Upon request, the seller will advise the purchaser with their selection of qualified sub-contractors.

Sustainable Energy Systems LLC Representative

Signature 

Date 10/9/18

Greenbelt Homes Incorporated Representative

Signature Edon Ralph

Date 9/17/18

## Chapter 524

**(House Bill 1023)**

AN ACT concerning

**Real Property – Condominiums, Homeowners Associations, and Cooperative Housing Corporations – Virtual Meetings**

FOR the purpose of authorizing the governing body of a condominium, homeowners association, or cooperative housing corporation to authorize certain meetings to be conducted or attended by certain electronic means under certain circumstances; authorizing certain individuals who attend a meeting by certain electronic means to be deemed present for certain purposes; authorizing certain matters to be set for a vote at a certain virtual meeting under certain circumstances; authorizing certain members, unit owners, and lot owners who attend a meeting virtually to vote in a certain manner under certain circumstances; authorizing certain members, unit owners, and lot owners to vote by proxy in a certain manner under certain circumstances; requiring the governing body of a condominium, homeowners association, or cooperative housing corporation to comply with certain notice requirements in order to conduct a virtual meeting; providing that nominations from the floor are not required at a certain virtual meeting under certain circumstances; providing that the inability of a certain individual to join a certain virtual meeting does not invalidate the meeting or actions taken at the meeting; and generally relating to condominiums, homeowners associations, and cooperative housing corporations.

BY adding to

Article – Corporations and Associations  
 Section 5–6B–25.1  
 Annotated Code of Maryland  
 (2014 Replacement Volume and 2020 Supplement)

BY adding to

Article – Real Property  
 Section 11–139.3 and 11B–113.6  
 Annotated Code of Maryland  
 (2015 Replacement Volume and 2020 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 That the Laws of Maryland read as follows:

**Article – Corporations and Associations****5–6B–25.1.**

**(A) (1) ~~EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE OR NOTWITHSTANDING LANGUAGE CONTAINED~~ IN THE GOVERNING DOCUMENTS OF THE COOPERATIVE HOUSING CORPORATION, THE BOARD OF DIRECTORS MAY AUTHORIZE ANY MEETINGS OF THE COOPERATIVE HOUSING CORPORATION, THE BOARD OF DIRECTORS, OR A COMMITTEE OF THE COOPERATIVE HOUSING CORPORATION TO BE CONDUCTED OR ATTENDED BY TELEPHONE CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEANS.**

**(2) IF A MEETING IS CONDUCTED BY TELEPHONE CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEANS, THE EQUIPMENT OR SYSTEM USED MUST PERMIT ANY MEMBER, BOARD MEMBER, OR COMMITTEE MEMBER IN ATTENDANCE TO HEAR AND BE HEARD BY ALL OTHER MEMBERS PARTICIPATING IN THE MEETING.**

**(3) A LINK OR INSTRUCTIONS ON HOW TO ACCESS THE MEETING BY TELEPHONE CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEANS SHALL BE INCLUDED IN THE NOTICE OF THE MEETING.**

**(4) NO SPECIFIC AUTHORIZATION FROM MEMBERS SHALL BE REQUIRED TO HOLD A MEETING ELECTRONICALLY.**

**(B) ANY MEMBER, BOARD MEMBER, OR COMMITTEE MEMBER ATTENDING A MEETING BY TELEPHONE CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEANS SHALL BE DEEMED PRESENT FOR QUORUM AND VOTING PURPOSES.**

**(C) (1) (I) ANY MATTER REQUIRING A VOTE OF THE COOPERATIVE HOUSING CORPORATION MAY BE SET BY THE BOARD OF DIRECTORS FOR A VOTE AT THE MEETING, AND A BALLOT MAY BE DELIVERED TO MEMBERS WITH NOTICE OF THE MEETING.**

**(II) ONLY THOSE MEMBERS PRESENT DURING THE TELEPHONE CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEETING SHALL BE AUTHORIZED TO VOTE A BALLOT IN ACCORDANCE WITH THIS SUBSECTION.**

**(III) MEMBERS WHO ARE NOT PRESENT AT THE MEETING MAY:**

**1. VOTE BY PROXY IN ACCORDANCE WITH THE REQUIREMENTS OF THE GOVERNING DOCUMENTS AND THIS TITLE; AND**

**2. BE CONSIDERED PRESENT FOR QUORUM PURPOSES THROUGH THEIR PROXY.**

(2) (I) THE BOARD OF DIRECTORS MAY SET A REASONABLE DEADLINE FOR RETURN OF A BALLOT TO THE COOPERATIVE HOUSING CORPORATION, INCLUDING RETURN BY ELECTRONIC TRANSMISSION.

(II) THE DEADLINE FOR RETURN OF THE BALLOT SHALL BE NOT LATER THAN 24 HOURS AFTER THE CONCLUSION OF THE MEETING.

(D) ~~EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE OR~~ NOTWITHSTANDING LANGUAGE CONTAINED IN THE GOVERNING DOCUMENTS OF THE COOPERATIVE HOUSING CORPORATION, NOMINATIONS FROM THE FLOOR AT THE MEETING ARE NOT REQUIRED IF AT LEAST ONE CANDIDATE HAS BEEN NOMINATED TO FILL EACH OPEN BOARD POSITION.

(E) THE INABILITY OF A MEMBER TO JOIN A MEETING DUE TO TECHNICAL DIFFICULTIES WITH THE MEMBER'S TELEPHONE, COMPUTER, OR OTHER ELECTRONIC DEVICE DOES NOT INVALIDATE THE MEETING OR ANY ACTION TAKEN AT THE MEETING.

Article – Real Property

11-139.3.

(A) (1) ~~EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE OR~~ NOTWITHSTANDING LANGUAGE CONTAINED IN THE GOVERNING DOCUMENTS OF THE COUNCIL OF UNIT OWNERS, THE BOARD OF DIRECTORS MAY AUTHORIZE ANY MEETINGS OF THE COUNCIL OF UNIT OWNERS, THE BOARD OF DIRECTORS, OR A COMMITTEE OF THE COUNCIL OF UNIT OWNERS OR THE BOARD OF DIRECTORS TO BE CONDUCTED OR ATTENDED BY TELEPHONE CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEANS.

(2) IF A MEETING IS CONDUCTED BY TELEPHONE CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEANS, THE EQUIPMENT OR SYSTEM USED MUST PERMIT ANY UNIT OWNER, BOARD MEMBER, OR COMMITTEE MEMBER IN ATTENDANCE TO HEAR AND BE HEARD BY ALL OTHERS PARTICIPATING IN THE MEETING.

(3) A LINK OR INSTRUCTIONS ON HOW TO ACCESS THE MEETING BY TELEPHONE CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEANS SHALL BE INCLUDED IN THE NOTICE OF THE MEETING.

(4) NO SPECIFIC AUTHORIZATION FROM UNIT OWNERS SHALL BE REQUIRED TO HOLD A MEETING ELECTRONICALLY.

**(B) ANY UNIT OWNER, BOARD MEMBER, OR COMMITTEE MEMBER ATTENDING A MEETING BY TELEPHONE CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEANS SHALL BE DEEMED PRESENT FOR QUORUM AND VOTING PURPOSES.**

**(C) (1) (I) ANY MATTER REQUIRING A VOTE OF THE COUNCIL OF UNIT OWNERS MAY BE SET BY THE BOARD OF DIRECTORS FOR A VOTE AT THE MEETING, AND A BALLOT MAY BE DELIVERED TO UNIT OWNERS WITH NOTICE OF THE MEETING.**

**(II) ONLY THOSE UNIT OWNERS PRESENT DURING THE TELEPHONE CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEETING SHALL BE AUTHORIZED TO VOTE BY BALLOT IN ACCORDANCE WITH THIS SUBSECTION.**

**(III) UNIT OWNERS WHO ARE NOT PRESENT AT THE MEETING MAY:**

**1. VOTE BY PROXY IN ACCORDANCE WITH THE REQUIREMENTS OF THE GOVERNING DOCUMENTS AND THIS TITLE; AND**

**2. BE CONSIDERED PRESENT FOR QUORUM PURPOSES THROUGH THEIR PROXY.**

**(2) (I) THE BOARD OF DIRECTORS MAY SET A REASONABLE DEADLINE FOR RETURN OF A BALLOT TO THE COUNCIL OF UNIT OWNERS, INCLUDING RETURN BY ELECTRONIC TRANSMISSION.**

**(II) THE DEADLINE FOR RETURN OF THE BALLOT SHALL BE NOT LATER THAN 24 HOURS AFTER THE CONCLUSION OF THE MEETING.**

**(D) ~~EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE OR~~ NOTWITHSTANDING LANGUAGE CONTAINED IN THE GOVERNING DOCUMENTS OF THE COUNCIL OF UNIT OWNERS, NOMINATIONS FROM THE FLOOR AT THE MEETING ARE NOT REQUIRED IF LEAST ONE CANDIDATE HAS BEEN NOMINATED TO FILL EACH OPEN BOARD POSITION.**

**(E) THE INABILITY OF A UNIT OWNER TO JOIN A MEETING DUE TO TECHNICAL DIFFICULTIES WITH THE UNIT OWNER'S TELEPHONE, COMPUTER, OR OTHER ELECTRONIC DEVICE DOES NOT INVALIDATE THE MEETING OR ANY ACTION TAKEN AT THE MEETING.**

**11B-113.6.**

(A) (1) ~~EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE OR NOTWITHSTANDING LANGUAGE CONTAINED~~ IN THE GOVERNING DOCUMENTS OF THE HOMEOWNERS ASSOCIATION, THE GOVERNING BODY MAY AUTHORIZE MEETINGS OF THE HOMEOWNERS ASSOCIATION, THE GOVERNING BODY, OR A COMMITTEE OF THE HOMEOWNERS ASSOCIATION TO BE CONDUCTED OR ATTENDED BY TELEPHONE CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEANS.

(2) IF A MEETING IS CONDUCTED BY TELEPHONE CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEANS, THE EQUIPMENT OR SYSTEM USED MUST PERMIT ANY LOT OWNER, BOARD MEMBER, OR COMMITTEE MEMBER IN ATTENDANCE TO HEAR AND BE HEARD BY ALL OTHERS PARTICIPATING IN THE MEETING.

(3) A LINK OR INSTRUCTIONS ON HOW TO ACCESS THE MEETING BY TELEPHONE CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEANS SHALL BE INCLUDED IN THE NOTICE OF THE MEETING.

(4) NO SPECIFIC AUTHORIZATION FROM LOT OWNERS SHALL BE REQUIRED TO HOLD A MEETING ELECTRONICALLY.

(B) ANY LOT OWNER, BOARD MEMBER, OR COMMITTEE MEMBER ATTENDING A MEETING BY TELEPHONE CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEANS SHALL BE DEEMED PRESENT FOR QUORUM AND VOTING PURPOSES.

(C) (1) (I) ANY MATTER REQUIRING A VOTE OF THE HOMEOWNERS ASSOCIATION MAY BE SET BY THE GOVERNING BODY FOR A VOTE AT THE MEETING, AND A BALLOT MAY BE DELIVERED TO MEMBERS WITH NOTICE OF THE MEETING.

(II) ONLY THOSE LOT OWNERS PRESENT DURING THE TELEPHONE CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEETING SHALL BE AUTHORIZED TO VOTE A BALLOT IN ACCORDANCE WITH THIS SUBSECTION.

(III) LOT OWNERS WHO ARE NOT PRESENT AT THE MEETING MAY:

1. VOTE BY PROXY IN ACCORDANCE WITH THE REQUIREMENTS OF THE GOVERNING DOCUMENTS AND THIS TITLE; AND

2. BE CONSIDERED PRESENT FOR QUORUM PURPOSES THROUGH THEIR PROXY.

**(2) (I) THE GOVERNING BODY MAY SET A REASONABLE DEADLINE FOR RETURN OF A BALLOT TO THE HOMEOWNERS ASSOCIATION, INCLUDING RETURN BY ELECTRONIC TRANSMISSION.**

**(II) THE DEADLINE FOR RETURN OF THE BALLOT SHALL BE NOT LATER THAN 24 HOURS AFTER THE CONCLUSION OF THE MEETING.**

**(D) ~~EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE OR~~ NOTWITHSTANDING LANGUAGE CONTAINED IN THE GOVERNING DOCUMENTS OF THE HOMEOWNERS ASSOCIATION, NOMINATIONS FROM THE FLOOR AT THE MEETING ARE NOT REQUIRED IF LEAST ONE CANDIDATE HAS BEEN NOMINATED TO FILL EACH OPEN POSITION IN THE GOVERNING BODY.**

**(E) THE INABILITY OF A LOT OWNER TO JOIN A MEETING DUE TO TECHNICAL DIFFICULTIES WITH THE LOT OWNER'S TELEPHONE, COMPUTER, OR OTHER ELECTRONIC DEVICE DOES NOT INVALIDATE THE MEETING OR ANY ACTION TAKEN AT THE MEETING.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2021.

**Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2021.**



## Proposed Protections for Neighbors in GHI's Addition-Building Proposal Process

### A. Synopsis

1. Notify affected neighbors of a proposed addition *before* drafting architectural drawings.
2. Notify neighbors when architectural drawings are available and of their rights/responsibilities one month before any official meeting is held.
  - a. Provide each neighbor a copy of the architectural drawings.
  - b. Notify the neighbors of the steps in GHI's addition-approval process in general.
  - c. Notify neighbors of the steps in GHI's addition-approval process in this particular case.
  - d. Notify neighbors what their rights and responsibilities are, and by when.
  - e. Share each neighbor's response with all responding neighbors.
3. Separate suggestions (below) for meetings.
4. Separate suggestions (below) for rules documentation.

The Audit Committee suggested these points be turned into a checklist, for ease of use. I think that is a great idea and am happy to do that, or to work with others to do that, if the Board is willing to implement it. These suggestions could be incorporated into the GHI Permits Task Force Final Report, <https://www.ghi.coop/content/final-report-permits-task-force>, released on October 11, 2021. Similar suggestions were made in that Report, just from an addition-submitter's point-of-view. Adding these suggestions would incorporate the neighbors' point-of-view. Some decision would need to be made on who undertakes these efforts: GHI or the addition-proposing member.

### B. Details: Preparation of Addition Proposal for Neighbors

1. Notify affected neighbors of, and seek their input / concerns about, a proposed addition *before* drafting architectural drawings. Have proof that the neighbors were informed, and when. This can prevent addition-proposers from spending a lot of money on drawings if there is tremendous resistance within the court, or save them from drafting numerous versions of the addition to accommodate neighbor's concerns.
2. Notify neighbors when architectural drawings are available and of their rights/responsibilities at least one month before any official meeting is held (e.g. ARC, Board). Have proof that each of these steps was taken, and when.
  - a. Provide each neighbor a copy of the architectural drawings. This could be just an online copy, unless a neighbor does not have access to the Internet, email, etc. (In 33Q's case, copies were not always provided for neighbors to keep. In some cases, the proposal was just presented at the time of discussion; then it remained in the 33Q owners' hands.)
  - b. Notify the neighbors of the steps in GHI's addition-approval process in general. Note: This overlaps in spirit with recommendations made in the

Permits Task Force Report, basically to better inform members of the permits process. For example:

- (1) Inform neighbors of all the approvals the addition-owner must obtain, to build the addition.
  - (2) Inform neighbors of the Exception process. (The Exception portion of the Rule Book stands on its own, so it is not immediately clear when reading an individual section of the Rule Book that an Exception can be applied in this instance - and even to any and all rule/s.). Ensure that neighbors understand that their non-consent *can* be overturned by Board in an Exception process, and that the Board *has* overturned neighbor non-consent in the past. (It would also be informative to know how often neighbors' non-consent has or has not affected a proposed addition.)
  - (3) This could be done by improved documentation in the Member Handbook or a link in that Handbook to an online video.
- c. Notify neighbors of the steps in GHI's addition-approval process in this particular case. E.g. Tell the neighbors how many signatures are required, and who the other signatories (neighbors requiring consent) are for this particular addition. This makes the process transparent to all parties.
- d. Notify neighbors what their responsibilities are, and by when. For example: Ask neighbors to either say Consent, Non-Consent, or Consent with Conditions by a specified due date. Give them one month from GHI's notifying them of the addition proposal.
- (1) This ensures that the neighbors know what their response options are, and eliminates ambiguous non-responses for when the Board reviews the case. (I was unaware, for example, that a Consent with Conditions was an option.) Once this is explained, a non-response by the due date can be considered a Consent, unless the neighbor can explain why they could not give a response in time. (E.g. Maybe they were out of town or handling an urgent situation and could not respond.) Under extenuating circumstances, GHI may consider granting a delayed response due-date to accommodate a neighbor's needs to respond. Not too delayed though, as the addition-proposer deserves the right to see his proposal progress.
  - (2) I think a month is reasonable, as neighbors need to evaluate their court environment, to see how the addition will affect their light, air flow, view, privacy, and property value. (In a recent addition proposal, I was given 3 days to consider the proposal before a scheduled ARC meeting on the addition. Having an enforceable time-line prevents this kind of pressure from being exerted on the neighbors.)
  - (3) Once available, share each neighbor's response with all responding neighbors. This ensures transparency. Otherwise, the addition-proposer holds all the info but each individual neighbors holds only his own input.
- e. All information and/or exchanges between or amongst any party involved in the addition-proposal process should be shared with all affected members. Affected members include GHI Staff, GHI Board or Committee members, the addition-proposing member, neighbors, and any person providing input to the

proposal. This information-sharing should be done at the time of the initial exchange, so that affected members can take informed action thereon well in advance of any meetings.

- f. It would be helpful if the original architectural drawings included an indication of how the addition will affect neighbors' sunlight, airflow, and view. It is hard for a neighbor to accurately assess all of this at the time of proposal, as the sun and wind can shift over the seasons. The neighbor/s may not have paid close attention to where exactly the sun and wind come/go over time, to adequately assess how the addition will affect them in the time allotted to them to respond. Apparently architects are able to calculate this, so that might be a faster and more factual way to obtain this information.

### **C. Details: Meetings on Addition Proposal**

1. Consider modifying voting practices at GHI meetings to avoid the appearance of swaying voting members' votes, and to assure unbiased, unpressured voting.
  - a. Discourage voting members of the ARC, Board, etc. from stating out loud at meetings how they plan to vote. This can lead to peer pressure and group think, or at least the appearance thereof.
  - b. Suggest all votes be cast by closed ballot, not by visual or verbal "hand count." (Hand counts can be perceived as or act to influence colleagues' votes.) The ballots *should* bear the voter's name and vote, however, so the records can indicate who voted for what - but *after* the vote is over.
2. Share meeting notes and resolutions with the addition-proposer and all affected neighbors before making the notes official. Several points were omitted or erroneously recorded in various meeting notes and in the official permit for 33Q Ridge's addition. For example: The ARC notes omitted 33P's condition that their garden-side tree not be disturbed during the construction process. The official GHI permit failed to remove one side window (at a neighbor's request) in its worded notes, although the window was removed in the drawings. This could cause confusion and allow the window to be installed by current or future 33Q owners, despite 33R's no-side-window condition for their consent. The official GHI permit also required no work on Sundays, although I believe 33P's conditional consent called for no work on the weekends (Saturday or Sunday).
3. All Exception notes/recordings should be shared with all GHI members (e.g. on the GHI website), and specifically with all affected neighbors. (Currently the Exceptions section of the GHI Rule Book indicates that exceptions will be recorded in the addition-proposer's GHI file and in a "Unit Data Bank," and shared with the addition-proposer only.) Having their own copy gives neighbors recourse if a new owner moves into the addition and tries to alter it in violation the approved agreement. (E.g. If future owners tried to replace the glazed window that opens to the between-row court with a clear window that opens towards units 33P and 33N.).

### **D. Details: Documentation of Addition Proposal Process**

1. Update the GHI Member Handbook (online and in print) to reflect these and any other changes or updates.
2. Keep GHI's Rules and Tools handbook in conformance with city and county rules (e.g. on additions), so members are not confused as to which rule to follow, if these conflict. Also so members don't follow GHI rules when drafting their architectural drawings, only to find out those do not conform with city or county rules. That wastes members' (and GHI's) time, money, and goodwill.
3. Update the GHI Member Handbook / website (and any other relevant documentation) to indicate that neighbor non-consent can and has in the past been overturned by the Exception process. E.g. See the "Additions" section under "About GHI Homes" (under "Join Our Community"), <https://www.ghi.coop/content/about-ghi-homes-0>, copied below. People are buying into GHI thinking their vote counts on neighbor additions; it might not. *Note: This overlaps in spirit with a recommendation made in the Permits Task Force Report, to update online and GHI handbook documentation and eliminate contradictions therein.*

	<ul style="list-style-type: none"> <li>• <b>ABOUT GHI HOMES   Greenbelt Homes Inc</b>  House Types. GHI has one, two, three, and four-bedroom homes available with brick, block, or frame construction. Most of the houses are attached row houses in a town-house style.  <a href="http://www.ghi.coop">www.ghi.coop</a> </li> </ul>
--	---

# SENATE BILL 65

N1, C1

(PRE-FILED)

2lr0830  
CF HB 117

By: **Senator Kramer**

Requested: October 19, 2021

Introduced and read first time: January 12, 2022

Assigned to: Judicial Proceedings

## A BILL ENTITLED

1 AN ACT concerning

2 **Cooperative Housing Corporations and Condominium Associations – Evidence**  
3 **of Insurance**

4 FOR the purpose of authorizing a cooperative housing corporation to require in the  
5 cooperative housing corporation’s governing documents that a member maintain a  
6 certain insurance policy and requiring a governing document that contains such a  
7 provision to also require that the member provide evidence of the coverage to the  
8 governing body of the cooperative housing corporation on request; requiring that  
9 bylaws of a condominium association requiring each unit owner to maintain certain  
10 insurance coverage also require that a unit owner provide evidence of the insurance  
11 coverage to the council of unit owners on request; and generally relating to  
12 cooperative housing corporations and condominium associations.

13 BY renumbering

14 Article – Corporations and Associations  
15 Section 5–6B–32 and 5–6B–33, respectively  
16 to be Section 5–6B–33 and 5–6B–34, respectively  
17 Annotated Code of Maryland  
18 (2014 Replacement Volume and 2021 Supplement)

19 BY adding to

20 Article – Corporations and Associations  
21 Section 5–6B–32  
22 Annotated Code of Maryland  
23 (2014 Replacement Volume and 2021 Supplement)

24 BY repealing and reenacting, with amendments,

25 Article – Real Property  
26 Section 11–114.2  
27 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2015 Replacement Volume and 2021 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 5-6B-32 and 5-6B-33, respectively, of Article – Corporations and Associations of the Annotated Code of Maryland be renumbered to be Sections 5-6B-33 and 5-6B-34, respectively.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article – Corporations and Associations**

**5-6B-32.**

(A) THE ARTICLES OF INCORPORATION, BYLAWS, OR REGULATIONS OF A COOPERATIVE HOUSING CORPORATION MAY REQUIRE EACH MEMBER TO MAINTAIN A COOPERATIVE HOUSING CORPORATION MEMBER INSURANCE POLICY ON THE MEMBER'S UNIT.

(B) ARTICLES OF INCORPORATION, BYLAWS, OR REGULATIONS THAT INCLUDE A REQUIREMENT DESCRIBED IN SUBSECTION (A) OF THIS SECTION SHALL ALSO REQUIRE EACH MEMBER TO PROVIDE EVIDENCE OF INSURANCE COVERAGE TO THE GOVERNING BODY OF THE COOPERATIVE HOUSING CORPORATION ON REQUEST OF THE GOVERNING BODY.

**Article – Real Property**

**11-114.2.**

(a) The bylaws of a condominium may require each unit owner to maintain a condominium unit owner insurance policy on the unit.

(b) Bylaws that require each unit owner to maintain unit owner insurance also shall require each unit owner to provide evidence of the insurance coverage to the council of unit owners [annually]:

**(1) ANNUALLY; AND**

**(2) ON REQUEST OF THE COUNCIL OF UNIT OWNERS.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.

# SENATE BILL 145

C1

(PRE-FILED)

2lr0831  
CF HB 197

By: **Senator Kramer**

Requested: October 19, 2021

Introduced and read first time: January 12, 2022

Assigned to: Judicial Proceedings

## A BILL ENTITLED

1 AN ACT concerning

2 **Cooperative Housing Corporations – Property Insurance Deductibles – Member**  
3 **Responsibility**

4 FOR the purpose of requiring a member of a cooperative housing corporation to pay a  
5 certain amount of the cooperative housing corporation’s property or liability  
6 insurance deductible if damage to the common elements of the cooperative housing  
7 corporation originated in the member’s unit; and generally relating to cooperative  
8 housing corporations.

9 BY renumbering

10 Article – Corporations and Associations  
11 Section 5–6B–01(f) through (u), 5–6B–32, and 5–6B–33, respectively  
12 to be Section 5–6B–01(g) through (v), 5–6B–33, and 5–6B–34, respectively  
13 Annotated Code of Maryland  
14 (2014 Replacement Volume and 2021 Supplement)

15 BY adding to

16 Article – Corporations and Associations  
17 Section 5–6B–01(f) and 5–6B–32  
18 Annotated Code of Maryland  
19 (2014 Replacement Volume and 2021 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
21 That Section(s) 5–6B–01(f) through (u), 5–6B–32, and 5–6B–33, respectively, of Article –  
22 Corporations and Associations of the Annotated Code of Maryland be renumbered to be  
23 Section(s) 5–6B–01(g) through (v), 5–6B–33, and 5–6B–34, respectively.

24 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
25 as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1                                   **Article – Corporations and Associations**

2   5-6B-01.

3           **(F) “COMMON ELEMENTS” MEANS THAT PORTION OF A COOPERATIVE**  
4 **PROJECT NOT CONSTITUTING UNITS IN WHICH MEMBERS SHARE A POSSESSORY**  
5 **INTEREST IN COMMON.**

6   5-6B-32.

7           **(A) THIS SECTION APPLIES ONLY TO A COOPERATIVE HOUSING**  
8 **CORPORATION FOR WHICH THE GOVERNING BODY MAINTAINS:**

9           **(1) PROPERTY INSURANCE FOR THE COMMON ELEMENTS AND UNITS,**  
10 **EXCLUSIVE OF IMPROVEMENTS AND BETTERMENTS INSTALLED IN UNITS BY**  
11 **MEMBERS OTHER THAN THE DEVELOPER WHO ARE IN POSSESSION OF THE UNITS,**  
12 **INSURING AGAINST RISKS OF DIRECT PHYSICAL LOSS COMMONLY INSURED**  
13 **AGAINST, IN AMOUNTS DETERMINED BY THE GOVERNING BODY BUT NOT LESS THAN**  
14 **ANY AMOUNTS SPECIFIED IN THE ARTICLES OF INCORPORATION, BYLAWS, OR**  
15 **REGULATIONS OF THE COOPERATIVE HOUSING CORPORATION; AND**

16           **(2) COMPREHENSIVE GENERAL LIABILITY INSURANCE, INCLUDING**  
17 **MEDICAL PAYMENTS INSURANCE, IN AN AMOUNT DETERMINED BY THE GOVERNING**  
18 **BODY BUT NOT LESS THAN ANY AMOUNT SPECIFIED IN THE ARTICLES OF**  
19 **INCORPORATION, BYLAWS, OR REGULATIONS OF THE COOPERATIVE HOUSING**  
20 **CORPORATION, COVERING OCCURRENCES COMMONLY INSURED AGAINST FOR**  
21 **DEATH, BODILY INJURY, AND PROPERTY DAMAGE ARISING OUT OF OR IN**  
22 **CONNECTION WITH THE USE, OWNERSHIP, OR MAINTENANCE OF THE COMMON**  
23 **ELEMENTS.**

24           **(B) (1) IF THE CAUSE OF ANY DAMAGE TO OR DESTRUCTION OF ANY**  
25 **PORTION OF THE COOPERATIVE PROJECT ORIGINATES FROM A UNIT, THE MEMBER**  
26 **IN POSSESSION OF THE UNIT WHERE THE CAUSE OF THE DAMAGE OR DESTRUCTION**  
27 **ORIGINATED IS RESPONSIBLE FOR THE GOVERNING BODY’S PROPERTY INSURANCE**  
28 **DEDUCTIBLE, NOT TO EXCEED \$10,000.**

29           **(2) THE GOVERNING BODY SHALL INFORM EACH MEMBER ANNUALLY**  
30 **IN WRITING OF:**

31                           **(I) THE MEMBER’S RESPONSIBILITY FOR THE GOVERNING**  
32 **BODY’S PROPERTY INSURANCE DEDUCTIBLE; AND**

33                                   **(II) THE AMOUNT OF THE DEDUCTIBLE.**



1                   **(3) THE GOVERNING BODY'S PROPERTY INSURANCE DEDUCTIBLE**  
2 **AMOUNT EXCEEDING THE \$10,000 RESPONSIBILITY OF THE MEMBER IS A COMMON**  
3 **EXPENSE.**

4           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall be construed to  
5 apply only prospectively and may not be applied or interpreted to have any effect on or  
6 application to any insurance claim for damage to or destruction of any portion of a  
7 cooperative project where the cause of the damage or destruction originated in the unit of  
8 a member before the effective date of this Act.

9           SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
10 October 1, 2022.

# HOUSE BILL 26

C2, N1  
HB 367/21 – ENT

(PRE-FILED)

2lr0599

By: **Delegate Holmes**

Requested: September 29, 2021

Introduced and read first time: January 12, 2022

Assigned to: Environment and Transportation

## A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Regulation of Common Ownership Community Managers**

3 FOR the purpose of creating the State Board of Common Ownership Community Managers  
4 in the Maryland Department of Labor to oversee the licensing of community  
5 managers who provide management services for common ownership communities;  
6 requiring a common ownership community to register with the Board under certain  
7 circumstances; imposing certain duties on a contracting party concerning a fidelity  
8 bond or theft insurance under certain circumstances; requiring a contract to provide  
9 management services to include certain provisions; making certain provisions of this  
10 Act subject to the Maryland Program Evaluation Act; establishing the State Board  
11 of Common Ownership Community Managers Fund as a special, nonlapsing fund;  
12 requiring that certain interest earnings be credited to the Fund; requiring the  
13 Secretary of Labor, in consultation with the Board, to calculate certain costs  
14 annually; authorizing the Department of Budget and Management to advance  
15 certain funds to the Board and requiring the Board to reimburse certain funds under  
16 certain circumstances; and generally relating to the regulation of common ownership  
17 community managers.

18 BY renumbering

19 Article – State Government  
20 Section 8–403(13) through (62), respectively  
21 to be Section 8–403(14) through (63), respectively  
22 Annotated Code of Maryland  
23 (2021 Replacement Volume)

24 BY adding to

25 Article – Business Occupations and Professions  
26 Section 22–101 through 22–802 to be under the new title “Title 22. Common  
27 Ownership Community Managers”  
28 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2018 Replacement Volume and 2021 Supplement)

2 BY adding to

3 Article – Business Regulation

4 Section 2–106.15, 2–106.16, and 2–108(a)(34)

5 Annotated Code of Maryland

6 (2015 Replacement Volume and 2021 Supplement)

7 BY adding to

8 Article – Corporations and Associations

9 Section 5–6B–12.1

10 Annotated Code of Maryland

11 (2014 Replacement Volume and 2021 Supplement)

12 BY adding to

13 Article – Real Property

14 Section 11–130.1 and 11B–115.2

15 Annotated Code of Maryland

16 (2015 Replacement Volume and 2021 Supplement)

17 BY repealing and reenacting, without amendments,

18 Article – State Finance and Procurement

19 Section 6–226(a)(2)(i)

20 Annotated Code of Maryland

21 (2021 Replacement Volume)

22 BY repealing and reenacting, with amendments,

23 Article – State Finance and Procurement

24 Section 6–226(a)(2)(ii)144. and 145.

25 Annotated Code of Maryland

26 (2021 Replacement Volume)

27 BY adding to

28 Article – State Finance and Procurement

29 Section 6–226(a)(2)(ii)146.

30 Annotated Code of Maryland

31 (2021 Replacement Volume)

32 BY adding to

33 Article – State Government

34 Section 8–403(13)

35 Annotated Code of Maryland

36 (2021 Replacement Volume)

37 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

38 That Section(s) 8–403(13) through (62), respectively, of Article – State Government of the

1 Annotated Code of Maryland be renumbered to be Section(s) 8–403(14) through (63),  
2 respectively.

3 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
4 as follows:

5 **Article – Business Occupations and Professions**

6 **TITLE 22. COMMON OWNERSHIP COMMUNITY MANAGERS.**

7 **SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.**

8 **22–101.**

9 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
10 INDICATED.

11 (B) “BOARD” MEANS THE STATE BOARD OF COMMON OWNERSHIP  
12 COMMUNITY MANAGERS.

13 (C) (1) “COMMON OWNERSHIP COMMUNITY” MEANS:

14 (I) A CONDOMINIUM AS DEFINED IN § 11–101 OF THE REAL  
15 PROPERTY ARTICLE THAT IS USED FOR RESIDENTIAL PURPOSES;

16 (II) A COOPERATIVE HOUSING CORPORATION AS DEFINED IN §  
17 5–6B–01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; AND

18 (III) A HOMEOWNERS ASSOCIATION AS DEFINED IN § 11B–101 OF  
19 THE REAL PROPERTY ARTICLE.

20 (2) “COMMON OWNERSHIP COMMUNITY” DOES NOT INCLUDE A  
21 TIME–SHARE PROJECT AS DEFINED IN § 11A–101 OF THE REAL PROPERTY  
22 ARTICLE.

23 (D) “LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A  
24 LICENSE ISSUED BY THE BOARD UNDER SUBTITLE 3 OF THIS TITLE THAT ALLOWS  
25 AN INDIVIDUAL TO PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP  
26 COMMUNITY.

27 (E) “LICENSED ASSOCIATE COMMUNITY MANAGER” MEANS, UNLESS THE  
28 CONTEXT REQUIRES OTHERWISE, AN INDIVIDUAL WHO IS ISSUED A LIMITED  
29 LICENSE BY THE BOARD UNDER SUBTITLE 4 OF THIS TITLE TO PROVIDE  
30 MANAGEMENT SERVICES FOR A COMMON OWNERSHIP COMMUNITY UNDER THE  
31 SUPERVISION OF A LICENSED COMMUNITY MANAGER.

1           **(F) “LICENSED COMMUNITY MANAGER” MEANS, UNLESS THE CONTEXT**  
2 **REQUIRES OTHERWISE, AN INDIVIDUAL WHO IS ISSUED A LICENSE BY THE BOARD**  
3 **UNDER SUBTITLE 3 OF THIS TITLE TO PROVIDE MANAGEMENT SERVICES FOR A**  
4 **COMMON OWNERSHIP COMMUNITY.**

5           **(G) “LIMITED LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES**  
6 **OTHERWISE, A LIMITED LICENSE ISSUED BY THE BOARD UNDER SUBTITLE 4 OF THIS**  
7 **TITLE THAT ALLOWS THE INDIVIDUAL TO PROVIDE MANAGEMENT SERVICES FOR A**  
8 **COMMON OWNERSHIP COMMUNITY UNDER THE SUPERVISION OF A LICENSED**  
9 **COMMUNITY MANAGER.**

10           **(H) “PROVIDE MANAGEMENT SERVICES” MEANS:**

11               **(1) TO ACT WITH THE AUTHORITY OF THE COMMON OWNERSHIP**  
12 **COMMUNITY IN ITS BUSINESS, LEGAL, FINANCIAL, OR OTHER TRANSACTIONS WITH**  
13 **MEMBERS AND NONMEMBERS OF THE COMMON OWNERSHIP COMMUNITY;**

14               **(2) TO EXECUTE THE RESOLUTIONS AND DECISIONS OF A COMMON**  
15 **OWNERSHIP COMMUNITY;**

16               **(3) TO ENFORCE THE RIGHTS OF THE COMMON OWNERSHIP**  
17 **COMMUNITY SECURED BY STATUTE, CONTRACT, COVENANT, RULE, OR BYLAW WITH**  
18 **THE AUTHORITY OF THE COMMON OWNERSHIP COMMUNITY;**

19               **(4) TO NEGOTIATE CONTRACTS OR OTHERWISE COORDINATE OR**  
20 **ARRANGE FOR SERVICES OR THE PURCHASE OF PROPERTY AND GOODS FOR OR ON**  
21 **BEHALF OF A COMMON OWNERSHIP COMMUNITY;**

22               **(5) TO COLLECT, DISBURSE, OR OTHERWISE EXERCISE DOMINION OR**  
23 **CONTROL OVER MONEY OR OTHER PROPERTY BELONGING TO A COMMON**  
24 **OWNERSHIP COMMUNITY;**

25               **(6) TO PREPARE BUDGETS, FINANCIAL STATEMENTS, OR OTHER**  
26 **FINANCIAL REPORTS FOR A COMMON OWNERSHIP COMMUNITY;**

27               **(7) TO ARRANGE, CONDUCT, OR COORDINATE MEETINGS OF A**  
28 **COMMON OWNERSHIP COMMUNITY OR THE GOVERNING BODY OF A COMMON**  
29 **OWNERSHIP COMMUNITY; OR**

30               **(8) TO OFFER OR SOLICIT TO PERFORM ANY OF THE ACTS OR**  
31 **SERVICES LISTED IN ITEMS (1) THROUGH (7) OF THIS SUBSECTION ON BEHALF OF A**  
32 **COMMON OWNERSHIP COMMUNITY.**

1           **(1) “RESPONSIBLE MANAGER” MEANS A LICENSED COMMUNITY MANAGER**  
2 **WHO HAS PRIMARY RESPONSIBILITY FOR PROVIDING MANAGEMENT SERVICES TO A**  
3 **COMMON OWNERSHIP COMMUNITY UNDER THE TERMS OF A CONTRACT ENTERED**  
4 **INTO BY THE COMMON OWNERSHIP COMMUNITY.**

5 **22-102.**

6           **THE PROVISIONS OF THIS TITLE THAT REQUIRE AN INDIVIDUAL TO BE ISSUED**  
7 **A LICENSE OR A LIMITED LICENSE DO NOT PROHIBIT:**

8           **(1) AN INDIVIDUAL WHO IS A REGULAR, SALARIED EMPLOYEE OF A**  
9 **LICENSED COMMUNITY MANAGER OR A SINGLE COMMON OWNERSHIP COMMUNITY**  
10 **FROM PERFORMING ADMINISTRATIVE, INTERNAL, BOOKKEEPING, OR MINISTERIAL**  
11 **FUNCTIONS IN SUPPORT OF THE LICENSED COMMUNITY MANAGER OR THE SINGLE**  
12 **COMMON OWNERSHIP COMMUNITY;**

13           **(2) AN INDIVIDUAL WHO IS ADMINISTRATIVE SUPPORT STAFF OR AN**  
14 **ASSISTANT OF A LICENSED COMMUNITY MANAGER FROM INCIDENTALLY PROVIDING**  
15 **MANAGEMENT SERVICES IF THE INDIVIDUAL IS SUPERVISED BY A LICENSED**  
16 **COMMUNITY MANAGER;**

17           **(3) A RESIDENT OF A COMMON OWNERSHIP COMMUNITY WHO ACTS**  
18 **WITHOUT COMPENSATION FROM PROVIDING MANAGEMENT SERVICES FOR THAT**  
19 **COMMON OWNERSHIP COMMUNITY;**

20           **(4) A MEMBER OF THE GOVERNING BODY OF A COMMON OWNERSHIP**  
21 **COMMUNITY WHO ACTS WITHOUT COMPENSATION FROM PROVIDING MANAGEMENT**  
22 **SERVICES FOR THAT COMMON OWNERSHIP COMMUNITY;**

23           **(5) AN ATTORNEY AT LAW FROM REPRESENTING A COMMON**  
24 **OWNERSHIP COMMUNITY, A LICENSED COMMUNITY MANAGER, OR A LICENSED**  
25 **ASSOCIATE COMMUNITY MANAGER IN ANY BUSINESS THAT CONSTITUTES THE**  
26 **PRACTICE OF LAW;**

27           **(6) AN INDIVIDUAL LICENSED UNDER THIS ARTICLE AS A LICENSED**  
28 **CERTIFIED PUBLIC ACCOUNTANT, A LICENSED REAL ESTATE BROKER, OR A**  
29 **LICENSED ASSOCIATE REAL ESTATE BROKER FROM PROVIDING TO A COMMON**  
30 **OWNERSHIP COMMUNITY THE SERVICES FOR WHICH THE INDIVIDUAL IS LICENSED;**

31           **(7) AN INDIVIDUAL WHO ACTS AS A RECEIVER OR TRUSTEE IN**  
32 **BANKRUPTCY IN THE PERFORMANCE OF DUTIES OR AN INDIVIDUAL WHO ACTS**  
33 **UNDER A COURT ORDER FROM PROVIDING MANAGEMENT SERVICES FOR A COMMON**  
34 **OWNERSHIP COMMUNITY; OR**

1           **(8) AN INDIVIDUAL WHO IS AN EMPLOYEE OF A COMMON OWNERSHIP**  
2 **COMMUNITY FROM PROVIDING MANAGEMENT SERVICES ONLY TO THAT COMMON**  
3 **OWNERSHIP COMMUNITY OR TO AN AFFILIATED COMMON OWNERSHIP COMMUNITY.**

4       **SUBTITLE 2. STATE BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS.**

5       **22-201.**

6           **THERE IS A STATE BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS**  
7 **IN THE DEPARTMENT.**

8       **22-202.**

9           **(A) (1) THE BOARD CONSISTS OF NINE MEMBERS.**

10           **(2) OF THE NINE MEMBERS OF THE BOARD:**

11                   **(I) FIVE SHALL BE LICENSED COMMON OWNERSHIP**  
12 **COMMUNITY MANAGERS;**

13                   **(II) ONE SHALL BE A LAWYER, AS DEFINED IN § 10-101 OF THIS**  
14 **ARTICLE, WHOSE PRIMARY PRACTICE INCLUDES THE REPRESENTATION OF**  
15 **COMMON OWNERSHIP COMMUNITIES; AND**

16                   **(III) THREE SHALL BE RESIDENT OWNERS IN A COMMON**  
17 **OWNERSHIP COMMUNITY.**

18           **(3) THE GOVERNOR SHALL APPOINT THE MEMBERS WITH THE**  
19 **ADVICE OF THE SECRETARY AND THE ADVICE AND CONSENT OF THE SENATE.**

20           **(B) EACH MEMBER OF THE BOARD MUST BE A RESIDENT OF THE STATE.**

21           **(C) BEFORE TAKING OFFICE, EACH APPOINTEE TO THE BOARD SHALL TAKE**  
22 **THE OATH REQUIRED BY ARTICLE I, § 9 OF THE MARYLAND CONSTITUTION.**

23           **(D) (1) THE TERM OF A MEMBER IS 4 YEARS AND BEGINS JULY 1.**

24                   **(2) THE TERMS OF THE MEMBERS ARE STAGGERED AS REQUIRED BY**  
25 **THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON OCTOBER 1, 2022.**

26                   **(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL**  
27 **A SUCCESSOR IS APPOINTED AND QUALIFIES.**

1           **(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES**  
2 **ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND**  
3 **QUALIFIES.**

4           **(5) A MEMBER MAY NOT SERVE MORE THAN TWO CONSECUTIVE**  
5 **TERMS.**

6           **(E) FOR FISCAL YEAR 2023, THE DEPARTMENT SHALL ALLOCATE NOT**  
7 **MORE THAN \$100,000 FOR THE ESTABLISHMENT OF THE BOARD, INCLUDING**  
8 **PERSONNEL EXPENSES.**

9 **22-203.**

10           **FROM AMONG THE MEMBERS OF THE BOARD, THE GOVERNOR SHALL**  
11 **APPOINT A CHAIR AND A VICE CHAIR.**

12 **22-204.**

13           **(A) A MAJORITY OF THE MEMBERS THEN SERVING ON THE BOARD IS A**  
14 **QUORUM.**

15           **(B) THE BOARD SHALL DETERMINE THE TIMES AND PLACES OF ITS**  
16 **MEETINGS.**

17           **(C) A MEMBER OF THE BOARD:**

18                   **(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD;**  
19 **BUT**

20                   **(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE**  
21 **STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.**

22           **(D) THE BOARD MAY EMPLOY STAFF IN ACCORDANCE WITH THE STATE**  
23 **BUDGET.**

24 **22-205.**

25           **(A) IN ADDITION TO ANY POWERS SET FORTH ELSEWHERE, THE BOARD**  
26 **MAY:**

27                   **(1) ADOPT BYLAWS AS NECESSARY TO DO THE BUSINESS OF THE**  
28 **BOARD; AND**

29                   **(2) ADOPT ANY REGULATIONS TO CARRY OUT THIS TITLE.**



1           **(B) IN ADDITION TO ANY DUTIES SET FORTH ELSEWHERE, THE BOARD**  
2 **SHALL:**

3                   **(1) ADOPT RULES OF PROFESSIONAL CONDUCT AS APPROPRIATE FOR**  
4 **INDIVIDUALS ISSUED A LICENSE OR A LIMITED LICENSE UNDER THIS TITLE;**

5                   **(2) ESTABLISH CRITERIA AND A PROCESS FOR CERTIFICATION OF A**  
6 **VARIETY OF EDUCATIONAL OFFERINGS AND TRAINING PROGRAMS FOR ISSUING**  
7 **LICENSES OR LIMITED LICENSES UNDER THIS TITLE;**

8                   **(3) ESTABLISH CONTINUING EDUCATION REQUIREMENTS FOR**  
9 **INDIVIDUALS WHO HAVE BEEN ISSUED A LICENSE OR A LIMITED LICENSE UNDER**  
10 **THIS TITLE; AND**

11                   **(4) KEEP A RECORD OF ITS PROCEEDINGS.**

12           **(C) THE BOARD MAY ESTABLISH BY REGULATION:**

13                   **(1) THE PROCESS OF RESOLVING DISCIPLINARY MATTERS PENDING**  
14 **BEFORE THE BOARD THROUGH NONJUDICIAL DISPUTE RESOLUTION PROCESSES;**

15                   **(2) EDUCATION AND TRAINING OPPORTUNITIES FOR GOVERNING**  
16 **BODIES OF COMMON OWNERSHIP COMMUNITIES; AND**

17                   **(3) ANY OTHER PROCEDURES OR STANDARDS CONSISTENT WITH THE**  
18 **MISSION OF THE BOARD.**

19 **22-206.**

20           **(A) THE BOARD SHALL MAINTAIN A PUBLIC LIST OF THE NAMES AND**  
21 **MAILING ADDRESSES OF ALL INDIVIDUALS ISSUED A LICENSE OR A LIMITED**  
22 **LICENSE UNDER THIS TITLE.**

23           **(B) EACH INDIVIDUAL ISSUED A LICENSE OR A LIMITED LICENSE UNDER**  
24 **THIS TITLE SHALL:**

25                   **(1) DESIGNATE A MAILING ADDRESS AT THE TIME OF ISSUANCE OF**  
26 **THE ORIGINAL LICENSE OR LIMITED LICENSE AND ON RENEWAL OF THE LICENSE OR**  
27 **LIMITED LICENSE; AND**

28                   **(2) NOTIFY THE BOARD OF A CHANGE OF ADDRESS WITHIN 30 DAYS**  
29 **AFTER THE CHANGE.**

30 **22-207.**



1 **22-301.**

2 (A) AN INDIVIDUAL MUST BE ISSUED A LICENSE BY THE BOARD BEFORE  
3 THE INDIVIDUAL MAY PROVIDE MANAGEMENT SERVICES AS A LICENSED  
4 COMMUNITY MANAGER FOR A COMMON OWNERSHIP COMMUNITY IN THE STATE.

5 (B) A LICENSED COMMUNITY MANAGER MAY PROVIDE MANAGEMENT  
6 SERVICES FOR A COMMON OWNERSHIP COMMUNITY ONLY UNDER THE TERMS OF A  
7 CONTRACT ENTERED INTO BY THE COMMON OWNERSHIP COMMUNITY.

8 **22-302.**

9 (A) TO QUALIFY FOR A LICENSE, AN APPLICANT MUST BE AN INDIVIDUAL  
10 WHO MEETS:

11 (1) THE REQUIREMENTS OF THIS SECTION; AND

12 (2) ANY OTHER QUALIFICATION AS REQUIRED BY REGULATION OF  
13 THE BOARD.

14 (B) AN APPLICANT MUST BE A LICENSED ASSOCIATE COMMUNITY  
15 MANAGER.

16 (C) AN APPLICANT SHALL:

17 (1) COMPLETE A TRAINING PROGRAM APPROVED BY THE BOARD; AND

18 (2) PASS AN EXAMINATION APPROVED BY THE BOARD THAT  
19 INCLUDES TESTING OF KNOWLEDGE OF STATE LAWS AND REGULATIONS  
20 CONCERNING COMMON OWNERSHIP COMMUNITIES.

21 (D) AN APPLICANT MUST:

22 (1) BE ACTIVELY ENGAGED IN PROVIDING MANAGEMENT SERVICES  
23 FOR AT LEAST 5 YEARS AS A LICENSED ASSOCIATE COMMUNITY MANAGER BEFORE  
24 APPLYING FOR A LICENSE; OR

25 (2) HOLD AN ACTIVE PROFESSIONAL DESIGNATION AS APPROVED BY  
26 THE BOARD.

27 **22-303.**

28 AN APPLICANT FOR A LICENSE SHALL:

1           **(1) SUBMIT TO THE BOARD AN APPLICATION ON THE FORM THAT THE**  
2 **BOARD PROVIDES; AND**

3           **(2) PAY TO THE BOARD AN APPLICATION FEE SET BY THE BOARD.**

4 **22-304.**

5           **(A) IF AN APPLICANT QUALIFIES FOR A LICENSE UNDER THIS SUBTITLE,**  
6 **THE BOARD SHALL SEND THE APPLICANT A NOTICE THAT STATES THAT:**

7           **(1) THE APPLICANT HAS QUALIFIED FOR A LICENSE; AND**

8           **(2) ON RECEIPT OF THE LICENSE FEE SET BY THE BOARD, THE BOARD**  
9 **WILL ISSUE A LICENSE TO THE APPLICANT.**

10           **(B) ON PAYMENT OF THE LICENSE FEE, THE BOARD SHALL ISSUE A LICENSE**  
11 **TO EACH APPLICANT WHO MEETS THE REQUIREMENTS OF THIS SUBTITLE.**

12 **22-305.**

13           **WHILE IN EFFECT, A LICENSE AUTHORIZES THE LICENSED COMMUNITY**  
14 **MANAGER TO PROVIDE MANAGEMENT SERVICES TO A COMMON OWNERSHIP**  
15 **COMMUNITY.**

16 **22-306.**

17           **(A) THE TERM OF A LICENSE IS 2 YEARS.**

18           **(B) AT LEAST 2 MONTHS BEFORE A LICENSE EXPIRES, THE BOARD SHALL**  
19 **SEND TO THE LICENSED COMMUNITY MANAGER, AT THE LAST KNOWN ADDRESS OF**  
20 **THE LICENSED COMMUNITY MANAGER:**

21           **(1) A RENEWAL APPLICATION FORM; AND**

22           **(2) A NOTICE THAT STATES:**

23                   **(I) THE DATE ON WHICH THE CURRENT LICENSE EXPIRES;**

24                   **(II) THE DATE BY WHICH THE BOARD MUST RECEIVE THE**  
25 **RENEWAL APPLICATION FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE THE**  
26 **LICENSE EXPIRES; AND**

27                   **(III) THE AMOUNT OF THE RENEWAL FEE.**

1           **(C) (1) THE BOARD SHALL RENEW THE LICENSE OF AND ISSUE A**  
2 **RENEWAL CERTIFICATE TO EACH LICENSED COMMUNITY MANAGER WHO MEETS THE**  
3 **REQUIREMENTS OF THIS SECTION.**

4           **(2) THE BOARD SHALL INCLUDE ON EACH RENEWAL CERTIFICATE**  
5 **THE DATE ON WHICH THE CURRENT LICENSE EXPIRES.**

6 **22-307.**

7           **(A) THE BOARD SHALL REINSTATE THE LICENSE OF AN INDIVIDUAL WHO**  
8 **HAS FAILED TO RENEW THE LICENSE IF THE INDIVIDUAL:**

9                   **(1) APPLIES TO THE BOARD FOR REINSTATEMENT WITHIN 2 YEARS**  
10 **AFTER THE LICENSE EXPIRES;**

11                   **(2) MEETS THE RENEWAL REQUIREMENTS OF § 22-306 OF THIS**  
12 **SUBTITLE; AND**

13                   **(3) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE BOARD.**

14           **(B) (1) IF AN INDIVIDUAL HAS FAILED TO RENEW A LICENSE AND THEN**  
15 **APPLIES TO THE BOARD FOR REINSTATEMENT MORE THAN 2 YEARS AFTER THE**  
16 **LICENSE HAS EXPIRED, THE BOARD:**

17                   **(I) MAY REQUIRE THE INDIVIDUAL TO REAPPLY FOR A LICENSE**  
18 **IN THE SAME MANNER AS AN APPLICANT APPLIES FOR A LICENSE UNDER THIS**  
19 **SUBTITLE; OR**

20                   **(II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, MAY**  
21 **REINSTATE THE LICENSE.**

22           **(2) THE BOARD MAY REINSTATE A LICENSE UNDER PARAGRAPH (1)**  
23 **OF THIS SUBSECTION ONLY IF THE INDIVIDUAL:**

24                   **(I) MEETS THE RENEWAL REQUIREMENTS OF § 22-306 OF THIS**  
25 **SUBTITLE;**

26                   **(II) IF REQUIRED BY THE BOARD, STATES REASONS WHY**  
27 **REINSTATEMENT SHOULD BE GRANTED; AND**

28                   **(III) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE**  
29 **BOARD.**

30 **22-308.**

1           **(A) SUBJECT TO THE PROVISIONS OF THIS SECTION, THE BOARD MAY ISSUE**  
2 **BY RECIPROcity A LICENSE TO AN INDIVIDUAL WHO HAS THE EQUIVALENT LICENSE**  
3 **IN ANOTHER STATE OR TERRITORY OF THE UNITED STATES.**

4           **(B) THE BOARD MAY ISSUE A LICENSE UNDER THIS SECTION ONLY IF THE**  
5 **APPLICANT:**

6                   **(1) PAYS TO THE BOARD A LICENSE FEE SET BY THE BOARD; AND**

7                   **(2) PROVIDES ADEQUATE EVIDENCE THAT AT THE TIME OF**  
8 **APPLICATION FOR LICENSURE UNDER THIS SECTION THE APPLICANT HAS MET**  
9 **REQUIREMENTS THAT ARE SUBSTANTIALLY EQUIVALENT TO THE REQUIREMENTS**  
10 **OF THE STATE.**

11           **(C) THE BOARD SHALL ESTABLISH STANDARDS FOR THE ISSUANCE OF A**  
12 **LICENSE UNDER THIS SECTION.**

13 **22-309.**

14           **(A) SUBJECT TO THE HEARING PROVISIONS OF § 22-311 OF THIS SUBTITLE,**  
15 **THE BOARD MAY DENY A LICENSE TO ANY APPLICANT, REPRIMAND ANY LICENSED**  
16 **COMMUNITY MANAGER, OR SUSPEND OR REVOKE A LICENSE IF THE APPLICANT OR**  
17 **LICENSED COMMUNITY MANAGER:**

18                   **(1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO**  
19 **OBTAIN A LICENSE FOR THE APPLICANT OR LICENSED COMMUNITY MANAGER OR**  
20 **FOR ANOTHER;**

21                   **(2) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE;**

22                   **(3) UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE, IS**  
23 **CONVICTED OF:**

24                           **(I) A FELONY; OR**

25                           **(II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE**  
26 **FITNESS AND QUALIFICATIONS OF THE APPLICANT OR LICENSED COMMUNITY**  
27 **MANAGER TO PROVIDE MANAGEMENT SERVICES;**

28                   **(4) ENGAGES IN CONDUCT THAT DEMONSTRATES BAD FAITH,**  
29 **INCOMPETENCY, OR UNTRUSTWORTHINESS OR THAT CONSTITUTES DISHONEST,**  
30 **FRAUDULENT, OR IMPROPER DEALINGS;**

1           **(5) FAILS TO HANDLE THE FUNDS OF A COMMON OWNERSHIP**  
2 **COMMUNITY IN ACCORDANCE WITH THE PROVISIONS OF THIS TITLE;**

3           **(6) FAILS TO ACCOUNT IN A TIMELY MANNER FOR ALL MONEY AND**  
4 **PROPERTY RECEIVED ON BEHALF OF A COMMON OWNERSHIP COMMUNITY;**

5           **(7) WILLFULLY FAILS TO DISCLOSE TO A COMMON OWNERSHIP**  
6 **COMMUNITY MATERIAL FACTS THAT RELATE TO THE PROPERTY OF THE COMMON**  
7 **OWNERSHIP COMMUNITY OR CONCERN MANAGEMENT SERVICES OF WHICH THE**  
8 **LICENSED COMMUNITY MANAGER HAS ACTUAL KNOWLEDGE;**

9           **(8) IS GUILTY OF GROSS NEGLIGENCE, INCOMPETENCE THAT IS**  
10 **PROVEN TO HAVE BEEN DETRIMENTAL TO A COMMON OWNERSHIP COMMUNITY, OR**  
11 **MISCONDUCT IN PROVIDING MANAGEMENT SERVICES;**

12           **(9) HAS BEEN SANCTIONED IN ANOTHER STATE IN A MATTER**  
13 **RELATING TO PROVIDING MANAGEMENT SERVICES;**

14           **(10) VIOLATES ANY OTHER PROVISION OF THIS TITLE; OR**

15           **(11) VIOLATES ANY REGULATION ADOPTED BY THE BOARD UNDER**  
16 **THIS TITLE.**

17           **(B) (1) INSTEAD OF OR IN ADDITION TO REPRIMANDING THE LICENSED**  
18 **COMMUNITY MANAGER OR SUSPENDING OR REVOKING A LICENSE UNDER THIS**  
19 **SECTION, THE BOARD MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000 FOR EACH**  
20 **VIOLATION.**

21           **(2) TO DETERMINE THE AMOUNT OF THE PENALTY IMPOSED UNDER**  
22 **THIS SUBSECTION, THE BOARD SHALL CONSIDER:**

23                   **(I) THE SERIOUSNESS OF THE VIOLATION;**

24                   **(II) THE HARM CAUSED BY THE VIOLATION;**

25                   **(III) THE GOOD FAITH OF THE LICENSED COMMUNITY MANAGER;**

26 **AND**

27                   **(IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE LICENSED**  
28 **COMMUNITY MANAGER.**

29           **(3) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS**  
30 **SUBSECTION INTO THE GENERAL FUND OF THE STATE.**

1           **(C) THE BOARD SHALL CONSIDER THE FOLLOWING FACTS IN THE**  
2 **GRANTING, DENIAL, RENEWAL, SUSPENSION, OR REVOCATION OF A LICENSE OR THE**  
3 **REPRIMAND OF A LICENSED COMMUNITY MANAGER WHEN AN APPLICANT OR A**  
4 **LICENSED COMMUNITY MANAGER IS CONVICTED OF A FELONY OR MISDEMEANOR**  
5 **DESCRIBED IN SUBSECTION (A)(3) OF THIS SECTION:**

6           **(1) THE NATURE OF THE CRIME;**

7           **(2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES**  
8 **AUTHORIZED BY THE LICENSE;**

9           **(3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE**  
10 **CONVICTION TO THE FITNESS AND QUALIFICATION OF THE APPLICANT OR LICENSED**  
11 **COMMUNITY MANAGER TO PROVIDE MANAGEMENT SERVICES;**

12           **(4) THE LENGTH OF TIME SINCE THE CONVICTION; AND**

13           **(5) THE BEHAVIOR AND ACTIVITIES OF THE APPLICANT OR LICENSED**  
14 **COMMUNITY MANAGER BEFORE AND AFTER THE CONVICTION.**

15 **22-310.**

16           **ON ITS OWN INITIATIVE OR ON A WRITTEN COMPLAINT MADE TO THE BOARD**  
17 **BY ANY PERSON, THE BOARD MAY COMMENCE PROCEEDINGS UNDER § 22-311 OF**  
18 **THIS SUBTITLE.**

19 **22-311.**

20           **(A) EXCEPT AS OTHERWISE PROVIDED IN § 10-226 OF THE STATE**  
21 **GOVERNMENT ARTICLE, BEFORE THE BOARD TAKES ANY FINAL ACTION UNDER §**  
22 **22-309 OF THIS SUBTITLE, THE BOARD SHALL GIVE THE INDIVIDUAL AGAINST**  
23 **WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE**  
24 **THE BOARD.**

25           **(B) THE BOARD SHALL GIVE NOTICE AND HOLD THE HEARING IN**  
26 **ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.**

27           **(C) THE BOARD MAY ADMINISTER OATHS IN CONNECTION WITH ANY**  
28 **PROCEEDING UNDER THIS SECTION.**

29           **(D) (1) THE BOARD MAY ISSUE A SUBPOENA FOR THE ATTENDANCE OF A**  
30 **WITNESS TO TESTIFY OR THE PRODUCTION OF EVIDENCE IN CONNECTION WITH ANY**  
31 **PROCEEDING UNDER THIS SECTION.**



1           **(2) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA ISSUED UNDER**  
2 **THIS SUBSECTION, ON PETITION OF THE BOARD, A CIRCUIT COURT MAY COMPEL**  
3 **COMPLIANCE WITH THE SUBPOENA.**

4           **(E) IF, AFTER DUE NOTICE, THE INDIVIDUAL AGAINST WHOM THE ACTION IS**  
5 **CONTEMPLATED FAILS OR REFUSES TO APPEAR, THE BOARD MAY HEAR AND**  
6 **DETERMINE THE MATTER.**

7 **22-312.**

8           **ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD IN A**  
9 **CONTESTED CASE, AS DEFINED IN § 10-202 OF THE STATE GOVERNMENT ARTICLE,**  
10 **IS ENTITLED TO JUDICIAL REVIEW AS PROVIDED IN §§ 10-222 AND 10-223 OF THE**  
11 **STATE GOVERNMENT ARTICLE.**

12 **22-313.**

13           **THE BOARD MAY REINSTATE, IN ACCORDANCE WITH THE PROCEDURES OF**  
14 **THE BOARD:**

15           **(1) A LICENSE THAT HAS BEEN REVOKED; OR**

16           **(2) BEFORE FULFILLMENT OF THE CONDITIONS OF THE SUSPENSION,**  
17 **ANY LICENSE THAT HAS BEEN SUSPENDED.**

18           **SUBTITLE 4. LICENSED ASSOCIATE COMMUNITY MANAGERS.**

19 **22-401.**

20           **(A) AN INDIVIDUAL MUST BE ISSUED A LIMITED LICENSE BY THE BOARD**  
21 **BEFORE THE INDIVIDUAL MAY PROVIDE MANAGEMENT SERVICES AS A LICENSED**  
22 **ASSOCIATE COMMUNITY MANAGER FOR A COMMON OWNERSHIP COMMUNITY IN THE**  
23 **STATE.**

24           **(B) A LICENSED ASSOCIATE COMMUNITY MANAGER MAY PROVIDE**  
25 **MANAGEMENT SERVICES FOR A COMMON OWNERSHIP COMMUNITY ONLY WHILE**  
26 **UNDER THE GENERAL SUPERVISION OF A LICENSED COMMUNITY MANAGER.**

27 **22-402.**

28           **(A) TO QUALIFY FOR A LIMITED LICENSE, AN APPLICANT MUST BE AN**  
29 **INDIVIDUAL WHO MEETS:**

30           **(1) THE REQUIREMENTS OF THIS SECTION; AND**

1           (2) ANY OTHER QUALIFICATION REQUIRED BY REGULATION OF THE  
2 BOARD.

3           (B) AN APPLICANT MUST BE AT LEAST 18 YEARS OLD.

4           (C) AN APPLICANT SHALL:

5               (1) COMPLETE A TRAINING PROGRAM APPROVED BY THE BOARD; AND

6               (2) PASS AN EXAMINATION APPROVED BY THE BOARD.

7 **22-403.**

8 AN APPLICANT FOR A LIMITED LICENSE SHALL:

9           (1) SUBMIT TO THE BOARD AN APPLICATION ON THE FORM THAT THE  
10 BOARD PROVIDES; AND

11           (2) PAY TO THE BOARD AN APPLICATION FEE SET BY THE BOARD.

12 **22-404.**

13           (A) IF AN APPLICANT QUALIFIES FOR A LIMITED LICENSE UNDER THIS  
14 SUBTITLE, THE BOARD SHALL SEND THE APPLICANT A NOTICE THAT STATES THAT:

15               (1) THE APPLICANT HAS QUALIFIED FOR A LIMITED LICENSE; AND

16               (2) ON RECEIPT OF THE LIMITED LICENSE FEE SET BY THE BOARD,  
17 THE BOARD WILL ISSUE A LIMITED LICENSE IN THE NAME OF THE APPLICANT.

18           (B) ON PAYMENT OF THE LIMITED LICENSE FEE, THE BOARD SHALL ISSUE  
19 A LIMITED LICENSE IN THE NAME OF EACH APPLICANT WHO MEETS THE  
20 REQUIREMENTS OF THIS SUBTITLE.

21           (C) THE BOARD SHALL DELIVER A LIMITED LICENSE ISSUED BY THE BOARD  
22 TO THE LICENSED COMMUNITY MANAGER WHO WILL BE SUPERVISING THE  
23 LICENSED ASSOCIATE COMMUNITY MANAGER, AT THE ADDRESS OF THE LICENSED  
24 COMMUNITY MANAGER THAT IS INDICATED IN THE APPLICATION FOR A LIMITED  
25 LICENSE.

26 **22-405.**

27 WHILE IN EFFECT, A LIMITED LICENSE AUTHORIZES THE LICENSED  
28 ASSOCIATE COMMUNITY MANAGER TO PROVIDE MANAGEMENT SERVICES FOR A

1 COMMON OWNERSHIP COMMUNITY ONLY WHILE UNDER THE GENERAL SUPERVISION  
2 OF A LICENSED COMMUNITY MANAGER.

3 **22-406.**

4 (A) THE TERM OF A LIMITED LICENSE IS 2 YEARS.

5 (B) AT LEAST 2 MONTHS BEFORE A LIMITED LICENSE EXPIRES, THE BOARD  
6 SHALL SEND TO THE LICENSED ASSOCIATE COMMUNITY MANAGER, AT THE LAST  
7 KNOWN ADDRESS OF THE LICENSED ASSOCIATE COMMUNITY MANAGER:

8 (1) A RENEWAL APPLICATION FORM; AND

9 (2) A NOTICE THAT STATES:

10 (I) THE DATE ON WHICH THE CURRENT LIMITED LICENSE  
11 EXPIRES;

12 (II) THE DATE BY WHICH THE BOARD MUST RECEIVE THE  
13 RENEWAL APPLICATION FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE THE  
14 LIMITED LICENSE EXPIRES; AND

15 (III) THE AMOUNT OF THE RENEWAL FEE.

16 (C) (1) THE BOARD SHALL RENEW THE LIMITED LICENSE OF AND ISSUE  
17 A RENEWAL CERTIFICATE TO EACH LICENSED ASSOCIATE COMMUNITY MANAGER  
18 WHO MEETS THE REQUIREMENTS OF THIS SECTION.

19 (2) THE BOARD SHALL INCLUDE ON EACH RENEWAL CERTIFICATE  
20 THE DATE ON WHICH THE CURRENT LIMITED LICENSE EXPIRES.

21 **22-407.**

22 (A) THE BOARD SHALL REINSTATE THE LIMITED LICENSE OF AN  
23 INDIVIDUAL WHO HAS FAILED TO RENEW THE LIMITED LICENSE IF THE INDIVIDUAL:

24 (1) APPLIES TO THE BOARD FOR REINSTATEMENT WITHIN 2 YEARS  
25 AFTER THE LIMITED LICENSE EXPIRES;

26 (2) MEETS THE RENEWAL REQUIREMENTS OF § 22-406 OF THIS  
27 SUBTITLE; AND

28 (3) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE BOARD.

1           **(B) (1) IF AN INDIVIDUAL HAS FAILED TO RENEW A LIMITED LICENSE AND**  
2 **THEN APPLIES TO THE BOARD FOR REINSTATEMENT MORE THAN 2 YEARS AFTER**  
3 **THE LIMITED LICENSE HAS EXPIRED, THE BOARD:**

4                   **(I) MAY REQUIRE THE INDIVIDUAL TO REAPPLY FOR A LIMITED**  
5 **LICENSE IN THE SAME MANNER AS AN APPLICANT APPLIES FOR AN ORIGINAL**  
6 **LIMITED LICENSE UNDER THIS SUBTITLE; OR**

7                   **(II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, MAY**  
8 **REINSTATE THE LIMITED LICENSE.**

9           **(2) THE BOARD MAY REINSTATE A LIMITED LICENSE UNDER**  
10 **PARAGRAPH (1) OF THIS SUBSECTION ONLY IF THE INDIVIDUAL:**

11                   **(I) MEETS THE RENEWAL REQUIREMENTS OF § 22-406 OF THIS**  
12 **SUBTITLE;**

13                   **(II) IF REQUIRED BY THE BOARD, STATES REASONS WHY**  
14 **REINSTATEMENT SHOULD BE GRANTED; AND**

15                   **(III) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE**  
16 **BOARD.**

17 **22-408.**

18           **(A) SUBJECT TO THE HEARING PROVISIONS OF § 22-410 OF THIS SUBTITLE,**  
19 **THE BOARD MAY DENY A LIMITED LICENSE TO ANY APPLICANT, REPRIMAND ANY**  
20 **LICENSED ASSOCIATE COMMUNITY MANAGER, OR SUSPEND OR REVOKE A LIMITED**  
21 **LICENSE IF THE APPLICANT OR LICENSED ASSOCIATE COMMUNITY MANAGER:**

22                   **(1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO**  
23 **OBTAIN A LIMITED LICENSE FOR THE APPLICANT OR LICENSED ASSOCIATE**  
24 **COMMUNITY MANAGER OR FOR ANOTHER;**

25                   **(2) FRAUDULENTLY OR DECEPTIVELY USES A LIMITED LICENSE;**

26                   **(3) UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE, IS**  
27 **CONVICTED OF:**

28                   **(I) A FELONY; OR**

29                   **(II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE**  
30 **FITNESS AND QUALIFICATIONS OF THE APPLICANT OR LICENSED ASSOCIATE**  
31 **COMMUNITY MANAGER TO PROVIDE MANAGEMENT SERVICES;**

1           **(4) ENGAGES IN CONDUCT THAT DEMONSTRATES BAD FAITH,**  
2 **INCOMPETENCY, OR UNTRUSTWORTHINESS OR THAT CONSTITUTES DISHONEST,**  
3 **FRAUDULENT, OR IMPROPER DEALINGS;**

4           **(5) FAILS TO HANDLE THE FUNDS OF A COMMON OWNERSHIP**  
5 **COMMUNITY IN ACCORDANCE WITH THE PROVISIONS OF THIS TITLE;**

6           **(6) FAILS TO ACCOUNT IN A TIMELY MANNER FOR ALL MONEY AND**  
7 **PROPERTY RECEIVED ON BEHALF OF A COMMON OWNERSHIP COMMUNITY;**

8           **(7) WILLFULLY FAILS TO DISCLOSE TO A COMMON OWNERSHIP**  
9 **COMMUNITY MATERIAL FACTS THAT RELATE TO THE PROPERTY OF THE COMMON**  
10 **OWNERSHIP COMMUNITY OR CONCERN MANAGEMENT SERVICES OF WHICH THE**  
11 **LICENSED ASSOCIATE COMMUNITY MANAGER HAS ACTUAL KNOWLEDGE;**

12           **(8) IS GUILTY OF GROSS NEGLIGENCE, INCOMPETENCE THAT IS**  
13 **PROVEN TO HAVE BEEN DETRIMENTAL TO A COMMON OWNERSHIP COMMUNITY, OR**  
14 **MISCONDUCT IN PROVIDING MANAGEMENT SERVICES;**

15           **(9) HAS BEEN SANCTIONED IN ANOTHER STATE IN A MATTER**  
16 **RELATING TO PROVIDING MANAGEMENT SERVICES;**

17           **(10) VIOLATES ANY OTHER PROVISION OF THIS TITLE; OR**

18           **(11) VIOLATES ANY REGULATION ADOPTED BY THE BOARD UNDER**  
19 **THIS TITLE.**

20           **(B) (1) INSTEAD OF OR IN ADDITION TO REPRIMANDING THE LICENSED**  
21 **ASSOCIATE COMMUNITY MANAGER OR SUSPENDING OR REVOKING A LIMITED**  
22 **LICENSE UNDER THIS SECTION, THE BOARD MAY IMPOSE A PENALTY NOT**  
23 **EXCEEDING \$5,000 FOR EACH VIOLATION.**

24           **(2) TO DETERMINE THE AMOUNT OF THE PENALTY IMPOSED UNDER**  
25 **THIS SUBSECTION, THE BOARD SHALL CONSIDER:**

26                   **(I) THE SERIOUSNESS OF THE VIOLATION;**

27                   **(II) THE HARM CAUSED BY THE VIOLATION;**

28                   **(III) THE GOOD FAITH OF THE LICENSED ASSOCIATE COMMUNITY**  
29 **MANAGER; AND**

1 (IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE LICENSED  
2 ASSOCIATE COMMUNITY MANAGER.

3 (3) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS  
4 SUBSECTION INTO THE GENERAL FUND OF THE STATE.

5 (C) THE BOARD SHALL CONSIDER THE FOLLOWING FACTS IN THE  
6 GRANTING, DENIAL, RENEWAL, SUSPENSION, OR REVOCATION OF A LIMITED  
7 LICENSE OR THE REPRIMAND OF A LICENSED ASSOCIATE COMMUNITY MANAGER  
8 WHEN AN APPLICANT OR A LICENSED ASSOCIATE COMMUNITY MANAGER IS  
9 CONVICTED OF A FELONY OR MISDEMEANOR DESCRIBED IN SUBSECTION (A)(3) OF  
10 THIS SECTION:

11 (1) THE NATURE OF THE CRIME;

12 (2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES  
13 AUTHORIZED BY THE LIMITED LICENSE;

14 (3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE  
15 CONVICTION TO THE FITNESS AND QUALIFICATION OF THE APPLICANT OR LICENSED  
16 ASSOCIATE COMMUNITY MANAGER TO PROVIDE MANAGEMENT SERVICES;

17 (4) THE LENGTH OF TIME SINCE THE CONVICTION; AND

18 (5) THE BEHAVIOR AND ACTIVITIES OF THE APPLICANT OR LICENSED  
19 ASSOCIATE COMMUNITY MANAGER BEFORE AND AFTER THE CONVICTION.

20 22-409.

21 ON ITS OWN INITIATIVE OR ON A WRITTEN COMPLAINT MADE TO THE BOARD  
22 BY ANY PERSON, THE BOARD MAY COMMENCE PROCEEDINGS UNDER § 22-410 OF  
23 THIS SUBTITLE.

24 22-410.

25 (A) EXCEPT AS OTHERWISE PROVIDED IN § 10-226 OF THE STATE  
26 GOVERNMENT ARTICLE, BEFORE THE BOARD TAKES ANY FINAL ACTION UNDER §  
27 22-408 OF THIS SUBTITLE, THE BOARD SHALL GIVE THE INDIVIDUAL AGAINST  
28 WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE  
29 THE BOARD.

30 (B) THE BOARD SHALL GIVE NOTICE AND HOLD THE HEARING IN  
31 ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.

1           **(C) THE BOARD MAY ADMINISTER OATHS IN CONNECTION WITH ANY**  
2 **PROCEEDING UNDER THIS SECTION.**

3           **(D) (1) THE BOARD MAY ISSUE A SUBPOENA FOR THE ATTENDANCE OF A**  
4 **WITNESS TO TESTIFY OR THE PRODUCTION OF EVIDENCE IN CONNECTION WITH ANY**  
5 **PROCEEDING UNDER THIS SECTION.**

6           **(2) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA ISSUED UNDER**  
7 **THIS SUBSECTION, ON PETITION OF THE BOARD, A CIRCUIT COURT MAY COMPEL**  
8 **COMPLIANCE WITH THE SUBPOENA.**

9           **(E) IF, AFTER DUE NOTICE, THE INDIVIDUAL AGAINST WHOM THE ACTION IS**  
10 **CONTEMPLATED FAILS OR REFUSES TO APPEAR, THE BOARD MAY HEAR AND**  
11 **DETERMINE THE MATTER.**

12 **22-411.**

13           **ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD IN A**  
14 **CONTESTED CASE, AS DEFINED IN § 10-202 OF THE STATE GOVERNMENT ARTICLE,**  
15 **IS ENTITLED TO JUDICIAL REVIEW AS PROVIDED IN §§ 10-222 AND 10-223 OF THE**  
16 **STATE GOVERNMENT ARTICLE.**

17 **22-412.**

18           **THE BOARD MAY REINSTATE, IN ACCORDANCE WITH THE PROCEDURES OF**  
19 **THE BOARD:**

20           **(1) A LIMITED LICENSE THAT HAS BEEN REVOKED; OR**

21           **(2) BEFORE FULFILLMENT OF THE CONDITIONS OF THE SUSPENSION,**  
22 **ANY LIMITED LICENSE THAT HAS BEEN SUSPENDED.**

23           **SUBTITLE 5. REGISTRATION OF COMMON OWNERSHIP COMMUNITIES.**

24 **22-501.**

25           **(A) ON OR BEFORE JANUARY 1 EACH YEAR, A COMMON OWNERSHIP**  
26 **COMMUNITY SHALL REGISTER WITH THE BOARD.**

27           **(B) IF A COMMON OWNERSHIP COMMUNITY CONTRACTS FOR MANAGEMENT**  
28 **SERVICES, THE RESPONSIBLE MANAGER SHALL BE RESPONSIBLE FOR THE**  
29 **REGISTRATION OF THE COMMON OWNERSHIP COMMUNITY.**

30 **22-502.**

1           **EACH COMMON OWNERSHIP COMMUNITY SHALL PROVIDE THE BOARD THE**  
2 **FOLLOWING INFORMATION:**

3           **(1) THE NAME AND ADDRESS OF THE COMMON OWNERSHIP**  
4 **COMMUNITY;**

5           **(2) THE COUNTY IN WHICH THE COMMON OWNERSHIP COMMUNITY IS**  
6 **LOCATED;**

7           **(3) THE NAME AND CONTACT INFORMATION OF EACH OFFICER AND**  
8 **MEMBER OF THE BOARD OF DIRECTORS OR GOVERNING BODY OF THE COMMON**  
9 **OWNERSHIP COMMUNITY;**

10           **(4) THE NAME AND ADDRESS OF THE LICENSED COMMUNITY**  
11 **MANAGER, IF ANY, FOR THE COMMON OWNERSHIP COMMUNITY; AND**

12           **(5) ANY OTHER INFORMATION REQUIRED BY THE BOARD.**

13                           **SUBTITLE 6. MISCELLANEOUS PROVISIONS.**

14           **22-601.**

15           **(A) IN THIS SECTION, "CONTRACTING PARTY" MEANS A LICENSED**  
16 **COMMUNITY MANAGER OR A PERSON UNDER THE DIRECTION OF A LICENSED**  
17 **COMMUNITY MANAGER THAT CONTRACTS TO PROVIDE MANAGEMENT SERVICES FOR**  
18 **A COMMON OWNERSHIP COMMUNITY.**

19           **(B) A CONTRACTING PARTY SHALL FILE WITH THE SECRETARY PROOF AS**  
20 **REQUIRED BY THE BOARD OF A FIDELITY BOND OR THEFT INSURANCE, OR OTHER**  
21 **COMPARABLE WRITTEN INSURANCE AS REQUIRED BY THE BOARD, THAT COVERS:**

22           **(1) ANY PERSON THAT PROVIDES MANAGEMENT SERVICES FOR A**  
23 **COMMON OWNERSHIP COMMUNITY UNDER THE TERMS OF A CONTRACT; AND**

24           **(2) ANY INDIVIDUAL WORKING UNDER THE DIRECTION OF A PERSON**  
25 **DESCRIBED IN ITEM (1) OF THIS SUBSECTION.**

26           **(C) (1) A FIDELITY BOND OR INSURANCE FOR WHICH PROOF IS FILED**  
27 **UNDER THIS SECTION SHALL PROVIDE COVERAGE IN AN AMOUNT EQUAL TO THE**  
28 **LESSER OF:**

29                           **(I) \$2,000,000; OR**



1                   **(II) THE HIGHEST AGGREGATE AMOUNT OF THE OPERATING**  
2 **AND RESERVE BALANCES OF ALL COMMON OWNERSHIP COMMUNITIES UNDER**  
3 **CONTRACT WITH THE CONTRACTING PARTY IN THE PRIOR 3 MONTHS.**

4                   **(2) THE TOTAL LIABILITY OF THE INSURANCE TO ALL INSURED**  
5 **PERSONS UNDER A FIDELITY BOND OR INSURANCE MAY NOT EXCEED THE SUM OF**  
6 **THE FIDELITY BOND OR INSURANCE.**

7                   **(3) THE SECRETARY, OR THE SECRETARY'S DESIGNEE, SHALL BE**  
8 **NAMED AS A CERTIFICATE HOLDER FOR ANY FIDELITY BOND OR INSURANCE**  
9 **REQUIRED UNDER THIS SECTION.**

10                  **(D) IF THE FIDELITY BOND OR INSURANCE IS CANCELED, FORFEITED, OR**  
11 **TERMINATED, THE CONTRACTING PARTY IMMEDIATELY SHALL NOTIFY THE**  
12 **SECRETARY.**

13                  **(E) IF THE FIDELITY BOND OR INSURANCE IS CANCELED, FORFEITED, OR**  
14 **TERMINATED, OR THE CONTRACTING PARTY FAILS TO NOTIFY THE SECRETARY OF**  
15 **ANY CHANGE TO THE FIDELITY BOND OR INSURANCE, THE SECRETARY:**

16                   **(1) SHALL SUSPEND ANY LICENSE OF ANY INDIVIDUAL PROVIDING**  
17 **MANAGEMENT SERVICES COVERED BY THE FIDELITY BOND OR INSURANCE; AND**

18                   **(2) MAY NOT REINSTATE A LICENSE UNTIL PROOF OF COMPLIANCE**  
19 **WITH THIS SECTION IS PROVIDED TO THE SECRETARY.**

20 **22-602.**

21                  **(A) A LICENSED COMMUNITY MANAGER SHALL DEPOSIT ALL MONEY**  
22 **RECEIVED IN CONNECTION WITH THE PROVISION OF MANAGEMENT SERVICES IN**  
23 **ONE OR MORE OF THE FINANCIAL INSTITUTION ACCOUNTS OF A COMMON**  
24 **OWNERSHIP COMMUNITY.**

25                  **(B) A LICENSED COMMUNITY MANAGER WHO PROVIDES MANAGEMENT**  
26 **SERVICES FOR MORE THAN ONE COMMON OWNERSHIP COMMUNITY SHALL**  
27 **MAINTAIN SEPARATE FINANCIAL INSTITUTION ACCOUNTS FOR EACH COMMON**  
28 **OWNERSHIP COMMUNITY.**

29                  **(C) THE FUNDS IN EACH FINANCIAL INSTITUTION ACCOUNT OF A COMMON**  
30 **OWNERSHIP COMMUNITY MAY NOT BE COMMINGLED WITH THE FUNDS OF THE**  
31 **LICENSED COMMUNITY MANAGER OR ANOTHER COMMON OWNERSHIP COMMUNITY.**

1 (D) THE MAINTENANCE OF FINANCIAL INSTITUTION ACCOUNTS BY A  
2 LICENSED COMMUNITY MANAGER SHALL BE CUSTODIAL AND PROVIDED IN THE  
3 NAME OF THE COMMON OWNERSHIP COMMUNITY.

4 (E) THE RECORDS OF EACH FINANCIAL INSTITUTION ACCOUNT OF A  
5 COMMON OWNERSHIP COMMUNITY SHALL BE ACCESSIBLE FOR REVIEW DIRECTLY  
6 FROM THE FINANCIAL INSTITUTION TO THE GOVERNING BODY OF THE COMMON  
7 OWNERSHIP COMMUNITY.

8 (F) A LICENSED COMMUNITY MANAGER WHO WILLFULLY VIOLATES ANY  
9 PROVISION OF THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS  
10 SUBJECT TO A FINE NOT EXCEEDING \$25,000 OR IMPRISONMENT NOT EXCEEDING 5  
11 YEARS OR BOTH.

12 **22-603.**

13 IF A COMMON OWNERSHIP COMMUNITY CONTRACTS WITH A PERSON OTHER  
14 THAN A LICENSED COMMUNITY MANAGER TO PROVIDE MANAGEMENT SERVICES,  
15 THE CONTRACT SHALL REQUIRE THAT ONLY A LICENSED COMMUNITY MANAGER  
16 PROVIDE THE MANAGEMENT SERVICES FOR THE COMMON OWNERSHIP COMMUNITY.

17 **SUBTITLE 7. PROHIBITED ACTS; PENALTIES.**

18 **22-701.**

19 EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AN INDIVIDUAL MAY NOT  
20 PROVIDE, ATTEMPT TO PROVIDE, OR OFFER TO PROVIDE MANAGEMENT SERVICES  
21 FOR A COMMON OWNERSHIP COMMUNITY IN THE STATE UNLESS ISSUED A LICENSE  
22 OR A LIMITED LICENSE BY THE BOARD.

23 **22-702.**

24 UNLESS AUTHORIZED UNDER THIS TITLE TO PROVIDE MANAGEMENT  
25 SERVICES TO A COMMON OWNERSHIP COMMUNITY, A PERSON MAY NOT REPRESENT  
26 TO THE PUBLIC BY USE OF A TITLE, INCLUDING "LICENSED COMMUNITY MANAGER",  
27 "LICENSED ASSOCIATE COMMUNITY MANAGER", OR "COMMON OWNERSHIP  
28 COMMUNITY MANAGEMENT", BY USE OF AN ABBREVIATION, BY DESCRIPTION OF  
29 SERVICES, METHODS, OR PROCEDURES, OR OTHERWISE THAT THE PERSON IS  
30 AUTHORIZED TO PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP  
31 COMMUNITY IN THE STATE.

32 **22-703.**

33 AN INDIVIDUAL MAY NOT:

1           **(1) USE OR ATTEMPT TO USE THE LICENSE OR LIMITED LICENSE OF**  
2 **ANOTHER INDIVIDUAL; OR**

3           **(2) IMPERSONATE ANOTHER INDIVIDUAL WHO HOLDS A LICENSE OR**  
4 **A LIMITED LICENSE.**

5 **22-704.**

6           **AN INDIVIDUAL MAY NOT GIVE FALSE INFORMATION TO THE BOARD IN AN**  
7 **ATTEMPT TO OBTAIN A LICENSE OR A LIMITED LICENSE.**

8 **22-705.**

9           **AN INDIVIDUAL WHOSE LICENSE OR LIMITED LICENSE HAS BEEN SUSPENDED**  
10 **OR REVOKED UNDER THIS TITLE MAY NOT PROVIDE MANAGEMENT SERVICES FOR A**  
11 **COMMON OWNERSHIP COMMUNITY IN ANY MANNER AS:**

12           **(1) AN ASSOCIATE, AN AGENT, AN EMPLOYEE, OR ANY OTHER**  
13 **SUBORDINATE OF A LICENSED COMMUNITY MANAGER; OR**

14           **(2) A PRINCIPAL, AN ASSOCIATE, AN AGENT, AN EMPLOYEE, OR ANY**  
15 **OTHER SUBORDINATE OF A CORPORATION, PARTNERSHIP, OR LIMITED LIABILITY**  
16 **COMPANY THAT PROVIDES MANAGEMENT SERVICES.**

17 **22-706.**

18           **(A) A PERSON THAT VIOLATES ANY PROVISION OF THIS TITLE IS GUILTY OF**  
19 **A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING**  
20 **\$5,000 OR IMPRISONMENT NOT EXCEEDING 3 YEARS OR BOTH.**

21           **(B) (1) THE BOARD MAY IMPOSE ON A PERSON THAT VIOLATES ANY**  
22 **PROVISION OF THIS TITLE A PENALTY NOT EXCEEDING \$5,000 FOR EACH VIOLATION.**

23           **(2) IN SETTING THE AMOUNT OF THE PENALTY, THE BOARD SHALL**  
24 **CONSIDER:**

25                   **(I) THE SERIOUSNESS OF THE VIOLATION;**

26                   **(II) THE HARM CAUSED BY THE VIOLATION;**

27                   **(III) THE GOOD FAITH OF THE VIOLATOR;**

28                   **(IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE VIOLATOR;**

29 **AND**

1 (V) ANY OTHER RELEVANT FACTORS.

2 (C) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS  
3 SECTION INTO THE GENERAL FUND OF THE STATE.

4 SUBTITLE 8. SHORT TITLE; TERMINATION OF TITLE.

5 22-801.

6 THIS TITLE MAY BE CITED AS THE MARYLAND COMMON OWNERSHIP  
7 COMMUNITY MANAGERS ACT.

8 22-802.

9 SUBJECT TO THE EVALUATION AND REESTABLISHMENT PROVISIONS OF THE  
10 MARYLAND PROGRAM EVALUATION ACT, THIS TITLE AND ALL REGULATIONS  
11 ADOPTED UNDER THIS TITLE SHALL TERMINATE AND BE OF NO EFFECT AFTER JULY  
12 1, 2030.

13 Article – Business Regulation

14 2-106.15.

15 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
16 INDICATED.

17 (2) “BOARD” MEANS THE STATE BOARD OF COMMON OWNERSHIP  
18 COMMUNITY MANAGERS.

19 (3) “FUND” MEANS THE STATE BOARD OF COMMON OWNERSHIP  
20 COMMUNITY MANAGERS FUND.

21 (B) THERE IS A STATE BOARD OF COMMON OWNERSHIP COMMUNITY  
22 MANAGERS FUND IN THE DEPARTMENT.

23 (C) THE PURPOSE OF THE FUND IS TO COVER THE ACTUAL DOCUMENTED  
24 DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY  
25 DUTIES OF THE BOARD.

26 (D) THE SECRETARY OR THE SECRETARY’S DESIGNEE SHALL ADMINISTER  
27 THE FUND.

28 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT  
29 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

1           **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**  
2 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

3           **(F) THE FUND CONSISTS OF:**

4           **(1) FEES COLLECTED BY THE BOARD AND DISTRIBUTED TO THE**  
5 **FUND UNDER § 22-207 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS**  
6 **ARTICLE;**

7           **(2) INTEREST EARNINGS OF THE FUND;**

8           **(3) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND**

9           **(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
10 **THE BENEFIT OF THE FUND.**

11           **(G) THE FUND MAY BE USED ONLY TO COVER THE ACTUAL DOCUMENTED**  
12 **DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY**  
13 **DUTIES OF THE BOARD.**

14           **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**  
15 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

16           **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
17 **THE FUND.**

18           **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**  
19 **WITH THE STATE BUDGET.**

20           **(J) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND**  
21 **TRANSACTIONS OF THE FUND, AS PROVIDED IN § 2-1220 OF THE STATE**  
22 **GOVERNMENT ARTICLE.**

23 **2-106.16.**

24           **(A) IN THIS SECTION, “BOARD” MEANS THE STATE BOARD OF COMMON**  
25 **OWNERSHIP COMMUNITY MANAGERS.**

26           **(B) IN CONSULTATION WITH THE BOARD, THE SECRETARY SHALL**  
27 **CALCULATE ANNUALLY THE DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO THE**  
28 **BOARD.**

1           **(C) THE BOARD SHALL ESTABLISH FEES BASED ON THE CALCULATIONS**  
2 **PROVIDED BY THE SECRETARY UNDER THIS SECTION.**

3           **(D) EACH FEE ESTABLISHED BY THE BOARD MAY NOT BE INCREASED**  
4 **ANNUALLY BY MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEE OF**  
5 **THE BOARD.**

6 2-108.

7           (a) The following units are in the Department:

8                   **(34) THE STATE BOARD OF COMMON OWNERSHIP COMMUNITY**  
9 **MANAGERS.**

10                                   **Article – Corporations and Associations**

11 **5-6B-12.1.**

12           **A COOPERATIVE HOUSING CORPORATION SHALL REGISTER ANNUALLY WITH**  
13 **THE STATE BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS IN THE**  
14 **MARYLAND DEPARTMENT OF LABOR AS REQUIRED UNDER TITLE 22, SUBTITLE 5**  
15 **OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.**

16                                   **Article – Real Property**

17 **11-130.1.**

18           **A CONDOMINIUM THAT IS USED FOR RESIDENTIAL PURPOSES SHALL**  
19 **REGISTER ANNUALLY WITH THE STATE BOARD OF COMMON OWNERSHIP**  
20 **COMMUNITY MANAGERS IN THE MARYLAND DEPARTMENT OF LABOR AS REQUIRED**  
21 **UNDER TITLE 22, SUBTITLE 5 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS**  
22 **ARTICLE.**

23 **11B-115.2.**

24           **A HOMEOWNERS ASSOCIATION SHALL REGISTER ANNUALLY WITH THE STATE**  
25 **BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS IN THE MARYLAND**  
26 **DEPARTMENT OF LABOR AS REQUIRED UNDER TITLE 22, SUBTITLE 5 OF THE**  
27 **BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.**

28                                   **Article – State Finance and Procurement**

29 6-226.

1 (a) (2) (i) Notwithstanding any other provision of law, and unless  
 2 inconsistent with a federal law, grant agreement, or other federal requirement or with the  
 3 terms of a gift or settlement agreement, net interest on all State money allocated by the  
 4 State Treasurer under this section to special funds or accounts, and otherwise entitled to  
 5 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General  
 6 Fund of the State.

7 (ii) The provisions of subparagraph (i) of this paragraph do not apply  
 8 to the following funds:

9 144. the Health Equity Resource Community Reserve Fund;

10 [and]

11 145. the Access to Counsel in Evictions Special Fund; AND

12 **146. THE STATE BOARD OF COMMON OWNERSHIP**  
 13 **COMMUNITY MANAGERS FUND.**

14 **Article – State Government**

15 8–403.

16 This subtitle applies only to the following governmental activities and units:

17 **(13) COMMON OWNERSHIP COMMUNITY MANAGERS, STATE BOARD**  
 18 **OF (§ 22–201 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE);**

19 SECTION 3. AND BE IT FURTHER ENACTED, That the terms of the initial  
 20 members of the State Board of Common Ownership Community Managers shall expire as  
 21 follows:

22 (1) three members in 2025;

23 (2) three members in 2026; and

24 (3) three members in 2027.

25 SECTION 4. AND BE IT FURTHER ENACTED, That the State Board of Common  
 26 Ownership Community Managers, when adopting regulations concerning the training and  
 27 examination requirements for an applicant for a license or a limited license under this Act,  
 28 may take into consideration the following training and examination standards:

29 (1) for a limited license:

30 (i) courses that include topics such as:

1                           1.    the responsibilities of managers and members of  
2 community governing bodies;

3                           2.    management ethics;

4                           3.    community rules;

5                           4.    community meetings and other communications;

6                           5.    assessments collections;

7                           6.    financial management;

8                           7.    risk management;

9                           8.    facilities management; and

10                          9.    personnel management; and

11                       (ii)   examinations that may be in a classroom or online; and

12                       (2)   for a license:

13                       (i)   courses that include topics such as:

14                           1.    high-rise maintenance and management;

15                           2.    advanced insurance and risk management;

16                           3.    management of large-scale communities;

17                           4.    legal considerations in community management; and

18                           5.    contemporary issues in community management; and

19                       (ii)   examinations that include a case study of an existing common  
20 ownership community.

21                       SECTION 5. AND BE IT FURTHER ENACTED, That:

22                       (a)   Until the time that the State Board of Common Ownership Community  
23 Managers adopts regulations concerning the training and examination requirements for an  
24 applicant for a license or a limited license under this Act, passing an examination that  
25 meets the requirements listed in subsection (b) of this section shall be deemed adequate for  
26 satisfying the requirements of § 22-302(c) or § 22-402(c) of the Business Occupations and  
27 Professions Article, as enacted by Section 2 of this Act.



1 (b) The examination specified under subsection (a) of this section shall be:

2 (1) a nationally prepared and administered standardized examination for  
3 the community association management profession; and

4 (2) developed according to the basic principles of professional testing  
5 standards that utilize psychometric measurement.

6 SECTION 6. AND BE IT FURTHER ENACTED, That the State Board of Common  
7 Ownership Community Managers shall grant a waiver of the training and examination  
8 requirements for a license issued under § 22–304 or a limited license issued under §  
9 22–404 of the Business Occupations and Professions Article, as enacted by Section 2 of this  
10 Act, to any applicant who presents to the Board not later than October 1, 2024, satisfactory  
11 evidence that the applicant provided management services in the State for the 2 years  
12 immediately before the date of application.

13 SECTION 7. AND BE IT FURTHER ENACTED, That, on or before December 1,  
14 2022, the Maryland Department of Labor shall report to the General Assembly, in  
15 accordance with § 2–1257 of the State Government Article, on the imposition of a  
16 registration fee on common ownership communities, including the necessity for and amount  
17 of a registration fee on common ownership communities in relation to the license fees and  
18 limited license fees required under this Act and the size of a common ownership community  
19 to which a registration fee would apply.

20 SECTION 8. AND BE IT FURTHER ENACTED, That the Department of Budget  
21 and Management, by budget amendment, may advance sufficient funds to the State Board  
22 of Common Ownership Community Managers to allow the Board to commence operations  
23 on October 1, 2022, so that the functions of issuing licenses and limited licenses and  
24 registering common ownership communities can be in place before October 1, 2023. The  
25 Board shall reimburse any funds that have been advanced after the license fees and limited  
26 license fees have been received and deposited into the State Board of Common Ownership  
27 Community Managers Fund.

28 SECTION 9. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 October 1, 2022.

## 2021-2022 Strategic Action Plan as of 1/27/2022

2-5 Yr. Strategy		#	GHI 2021-2022 (12 Month) Strategic Action Plan	Priority	Board	Cmte	Staff	Comments on status	Status
Goal	Objective		Work Plan: Actions						
<b>A. Buildings &amp; Property</b>	A.1. Closeout HIP.	A.1.a	Conduct HIP End Survey. Put the report on the website.	B	X	MOC	X	Currently being undertaken by the MOC to determine satisfaction with HIP.	In process
	A.2. Implement sustainable practices	A.2.a	Install solar PVES in the Administrative Complex. Still need to do pre-paid power purchase agreement.	A	X	Solar Contract TF	X	During the 5/11/18 annual meeting, the membership gave approval to proceed with the project. On 9/6/18, the Board approved a power purchase contract agreement with SES Inc. Installation of the panels is complete and the contractor is awaiting Pepco's approval to turn on the system. On May 6, 2021, the Board established a task force to re-negotiate the contract with SES Inc. to a pre-paid power purchase agreement (PPA). GHI's attorney is currently working with SES Inc. the task force and GM Ralph to formulate a pre-paid PPA for the Board's review.	In process
		A.2.b	Review recommendations from the Buildings Committee on EV charging stations throughout the coop.	A	X	BLD		Survey underway to ascertain member interest in electric cars and charging stations.	In process
		A.2.c	Implement heat-pump water heaters in masonry homes. Explore pilot of heat-pump water heaters for other types of units.	B	X	BLD	X	A pilot program involving installation of eleven units in crawlspaces of masonry homes was completed. The Board decided that staff should continue to replace conventional water heaters with heat-pump types as long as the current Pepco rebate is in place.	In process

2-5 Yr. Strategy		#	GHI 2021-2022 (12 Month) Strategic Action Plan	Priority	Board	Cmte	Staff	Comments on status	Status
Goal	Objective		Work Plan: Actions						
	A.3 Maintain & protect buildings & grounds	A.3.a	Plan for continued improvement work including replacement of plumbing pipes. Provide specific assignment to the Buildings Committee. Also explore electrical wiring as an assignment. Explore whether water supply in frame homes need to be replaced regardless of life to maintain continuity.	A	X	BLD	X	On February 20, 2020, the Board approved hiring a consultant (ETC Inc.) to evaluate the condition of water supply and waste pipes in a sample of frame and masonry homes, provide a report on replacement options, provide a report on the performance of epoxy lined pipes in 2 units and design a pilot study to evaluate methodologies for replacement of the piping. The Board reviewed ETC's report on November 19, 2020 and decided not to have the consultant design the pilot study.  The Committee is currently preparing a pipe replacement and refurbishment pilot study.	In process
		A.3.b	Conduct negotiations with WSSC re: water pipe replacements for masonry homes. WSSC needs to come onboard for exterior & sewer pipes, water supply for masonry homes. Legal opinion may be needed for negotiating 1958 agreement. Involve City of Greenbelt (signatory to 1958 and a good GHI ally).	A	X		X	Board and the City of Greenbelt sent a letter to WSSC's General Manager in 2019, asking for negotiations to be resumed and pipes to be replaced in conformance with the 1958 agreement. WSSC's General Manager responded on Jan 31, 2020. On November 3, 2020, a joint letter signed by the Board President and City of Greenbelt Mayor was sent in response to the WSSC's Manager's letter. WSSC's General Manager sent a letter dated February 12, 2021, stating that WSSC will not proceed with the project but will repair pipes when they fail. The Board met with the Greenbelt City Council on December 15, 2021, to discuss a joint response to WSSC's position. On January 1, 2022, the Board decided to hire an attorney to represent GHI in future negotiations with WSSC and that the Board President would send a letter to the membership advising them about the status of negotiations with WSSC.	In process

2-5 Yr. Strategy		#	GHI 2021-2022 (12 Month) Strategic Action Plan	Priority	Board	Cmte	Staff	Comments on status	Status
Goal	Objective		Work Plan: Actions						
		A.3.c	Continue to study program for inspections of building exteriors and yards. (Expect to hear back from membership in the fall.)	B	X	EBYITF	X	On February 18, 2021, the Board accepted a report from the Yards and Exteriors Task Force and decided the scope of an inspection program for 2021. On October 7, staff provided the Board a report on the 2021 inspection program that was completed.	Complete
		A.3.d	Continue to address stormwater management issues. Consider ending the Storm Water Task Force, moving stormwater management to a staff function, and imposing deadlines and reporting metrics. Changes to grades in yards may be contributing to runoff problems. Swales need to be reconsidered. Consider an RFP to take advantage of grant program.	B	X	SWMS	X	On October 7, the Board reviewed a report regarding the task force's activities during January 2020 to June 2021 and decided the task force should be designated a sub-committee of the Buildings Committee. GHI hired a stormwater management/ green infrastructure manager who is currently trying to get a better understanding of storm water management needs, regulatory requirements and the need to undertake stormwater remediation and green infrastructure projects in coordination with the GHI staff and SWMS.	Ongoing
	A.4 Coordinate efforts w/ external entities e.g., City, County, State, Fed govt, Maryland-National Capital Park and Planning Commission (MNCPPC)	A.4.a	Collaborate with City of Greenbelt re: Zoning Rewrite Project. GHI will have to update member handbook to respond and comply.	B	X	ZTF	X	On 9/20/2021, several Board members attended a meeting between the Greenbelt City Council and the M-NCPPC regarding the Greenbelt Neighborhood Study Report and Draft Neighborhood Conservation Overlay Zone Standards for Greenbelt. The Countywide Map Amendment and NCOZ were approved on Monday, November 29, 2021 and the new Zoning Ordinance, Zoning Map, and Subdivision Regulations take effect on April 1, 2022. On January 20, 2022, the Board requested the Buildings Committee to recommend changes to the Member Handbook and GHI website, based on the new NCOZ standards.	Complete

2-5 Yr. Strategy		#	GHI 2021-2022 (12 Month) Strategic Action Plan	Priority	Board	Cmte	Staff	Comments on status	Status
Goal	Objective		Work Plan: Actions						
	A.5 Enhance and improve buildings and grounds	A.5.a	Develop policy for storage of recreational vehicles in GHI Boat Lots. Consider providing deadline to task force.	A	X	RV & Boat Lot TF	X	Task Force was established on 12/3/2020. The Board adopted the task force's recommendations on December 16, 2021.	Complete

2-5 Yr. Strategy		#	GHI 2021-2022 (12 Month) Strategic Action Plan	Priority	Board	Cmte	Staff	Comments on status	Status
Goal	Objective		Work Plan: Actions						
<b>Governance</b>	B.1 Prepare for succession of administrative staff.	B.1.a	Plan for succession of General Manager.	A	X	TSTF	X	The Board passed a motion on December 3, 2020 to establish a Transition and Sustainability Task Force and allocate \$7,500 to hire a consultant to assist the task force. The Board held a work session with the task force on June 7, 2021. The task force is currently conducting a membership survey to garner ideas regarding the GM's succession and to share the survey results during a membership townhall meeting in March 2022.	In process
	B.2 Improve operation and efficiency of the Board	B.2.a	Make a decision about all aspects of continuing to hold virtual Board, committee and membership meetings post Covid-19.	A	X		X		Not started
		B.2.b	Put ARC unanimous decisions on the consent agenda instead of on the regular agenda to save time.	A	X		X		Not started
		B.2.c	Explore use of online collaborative documentation prior to/in preparation for and during Board meetings. Be careful to adhere to Open Meetings Law.	C	X		X		Not started
	B.3 Improve committee operation and promote member involvement	B.3.a	Review the role of committees to avoid staff attending the meetings. Discuss in a work session with Board and committee and task force chairs.	A	X			A work session was held on September 23, 2021.	In process

2-5 Yr. Strategy		#	GHI 2021-2022 (12 Month) Strategic Action Plan	Priority	Board	Cmte	Staff	Comments on status	Status
Goal	Objective		Work Plan: Actions						
		B.3.b	Establish an oversight committee of the Board to deal with and manage committees and task forces.	A	X				Not started
		B.3.c	Provide training for committee chairs.	B	X		X	Last training program for committees was held in September 2018. Plan to hold another training program in 2022.	Ongoing
		B.3.d	Continue volunteer recognition program.	B	X	MOC	X	Last volunteer recognition event was held on October 16, 2019.	Ongoing
	B.4 Review and develop policies	B.4.a	Revise, update and implement record retention policy. Recommend storage methodology for historical documents.	A	X	RRTF		Staff prepared a draft records' retention policy. The Board subsequently appointed a task force to recommend historical documents that should be retained and how they should be stored. The task force is currently working on this assignment.	In process
		B.4.b	Establish a policy to deal with member estates.	A	X		X		Not started
	B.5 Review bylaws issues and other changes as needed	B.5.a	Change the way contracts are done and make the associated changes in the bylaws. Consider: a) removing second readings, and b) increasing dollar amounts in the financial section.	B	X		X		Not started
	B.6 Develop long-range strategic plan	B.6.a	Develop a long-range plan for the GHI organization.	B	X	LRPC	X	The LRPC has suspended its operations due to volunteer resource constraints.	In process

2-5 Yr. Strategy		#	GHI 2021-2022 (12 Month) Strategic Action Plan	Priority	Board	Cmte	Staff	Comments on status	Status
Goal	Objective		Work Plan: Actions						
<b>C. Finance</b>	C.1 Manage finances to address issues that arise.	C.1.a	Review investment policies. Develop workaround to the Prudent Person issue. Does hiring an investment management company as a prudent investor meet the prudent person requirements?  Pursue legislative action to address Prudent Person Rule restrictions on GHI investments.	A	X	INVC LGAC	X	On June 3, 2021, the Board reviewed the LGAC's recommendations regarding actions that GHI should pursue to have the law changed to remove the restrictions on GHI investments.  After reviewing legal counsel's advice, the Board decided that staff should prepare a Request for Proposal from investment management companies to invest GHI funds in accordance with the prudent investor rule. The RFP is currently being reviewed by GHI's attorney before being sent to investment firms.	In process
	C.2 Continue education programs on GHI finances	C.2.a	Review and revise Tom Jones' breakdown of fees and distribute to relators and vendors.	B	X	FIN	X		Not started
		C.2.b	Continue education program on GHI finances and produce them as webinars. Include member charges, inflation, value of money, what's included in monthly charges, replacement reserves' program	B	X	FIN	X		Not started
	C.3. Insurability	C.3.1	Conduct risk assessment. What impacts the cost of insurance and availability of carriers? Look at risks and ways to make the GHI community more attractive to insurance carriers.	B	X	BLDG	X		Not started



2-5 Yr. Strategy		#	GHI 2021-2022 (12 Month) Strategic Action Plan	Priority	Board	Cmte	Staff	Comments on status	Status
Goal	Objective		Work Plan: Actions						
<b>D. Communication and Member Engagement</b>	D.1 Improve member handbook	D.1.a	Update and improve member handbook to reflect current operations and be internally consistent. Restructure the handbook for ease of use and maintenance. Update how members access the handbook and its updates.  Develop accompanying quick reference guide / FAQ.	A	X	COM	X	On September 17, 2020, the Board directed the Communications Committee to review and recommend revisions to the format of the Member Handbook. On December 16, 2021, the Board accepted the committee's recommendation to seek the services of a technical writer, technical editor, or other professional with the necessary skill set to update, standardize, format, and revise the Member Handbook and Board policies for clarity and consistency. Staff is currently preparing a RFP document that will be sent to firms and individuals.	In process
		D.1.b	Review Permit TF recommendations to address fees, process and permit revisions -- and reflect in handbook.	A	X	BLDG	X	On December 2, 2021, the Board directed the Manager to implement the recommendations stated in the Permit Task Force report that require staff involvement, by January 30, 2023.	In process
	D.2 Use technology for improved member access and communication	D.2.a	Make decision on how to employ internet technology (such as Zoom) to increase opportunities for participation in meetings and overall transparency.	A	X	IT TF	X	Ongoing.	In process
		D.2.b	Improve GHI website per recommendations from membership survey. Complete outward-facing website.	A	X	WSTF	X	The Board passed a motion on December 3, 2020, to establish a task force to recommend upgrades of the website. The Board accepted the task force's report on September 16, 2021.	In process
		D.2.c	Implement a proactive social media strategy (planned, regular tweets; use of GHI's Facebook page for official dissemination of information).	B	X	COM	X	On September 19, 2019, the Board authorized the Board President to appoint a member of the communications committee as the editor of GHI's Facebook page.	In process

2-5 Yr. Strategy		#	GHI 2021-2022 (12 Month) Strategic Action Plan	Priority	Board	Cmte	Staff	Comments on status	Status
Goal	Objective		Work Plan: Actions						
		D.2.d	Ask Finance committee to produce three articles per year to be printed in the E-News and placed on the website. Proactively publish relevant educational articles around the time of fee increases.	B	X	FIN	X		Not started
	D.3 Increase member engagement	D.3.a	Conduct a member survey annually that collects input geared to improving GHI.  Member Outreach Committee should review the pre-purchase process and provide feedback on whether it conveys the obligation and spirit of the co-op. The annual survey could focus on particular things like the purchase process (post purchase), auto surveys, etc.	B	X	MOC	X	The Member Outreach Committee presented a member survey report to the Board on 9/5/19.	Ongoing
		D.3.b	Create a forum where the Board can hear from members.	B	X			A membership townhall meeting was held on December 5, 2021.	In progress

Committees and Task Forces <sup>1</sup>	
BLD - Buildings Committee	MOC - Member Outreach Committee

<sup>1</sup> Not a complete list of committees and task forces.

COM/MARK - Communications & Marketing Committee	RRTF – Record Retention Task Force
EBYITF – Exterior Buildings and Yard Inspection Task Force	RV and Boat Lot Task Force
FIN - Finance Committee	Solar Contract Task Force
INVC – Investment Committee	SWMS – Storm Water Management Sub-Committee Force
IT TF - Information Technology Task Force	Transition Task Force
LGAC - Legislative and Government Affairs Committee	WC - Woodlands Committee
LRPC - Long Range Planning Committee	WSTF – Website Task Force
	ZTF - Zoning Task Force

Priority
<p><b>On 12-month Action Plan</b></p> <ul style="list-style-type: none"> <li>A. High priority: must be addressed within the next year</li> <li>B. Medium priority: should be addressed within the next year; could include items of high importance but not high urgency</li> </ul>
<p><b>On separate list of pending actions</b></p> <ul style="list-style-type: none"> <li>C. Low priority: probably won't get to it within the next year but want it on the list</li> </ul>

Committee Task List: Jan - Dec 2021

Item 6g. Attachment #8b

Committee	Committee Assignments for the 2021-2022 Board Term		Status			
			Not Started	Progress	Completed	
<b>Architectural Review Committee</b>		Consider siding and window replacement options on 25 larger townhomes, and 2 story single family units	Window specs same as under HIP. Vertical siding selection in progress.			X
		BOD charged the Stormwater Management Subcommittee and the ARC with recommending rules on pavers and other impervious surfaces. The ARC to recommend architectural and aesthetic components.	Waiting on draft from the Stormwater Management Subcommittee.	X		
<b>Bicycle Committee</b>	1	These items were not assigned by the Board.	The Bicycle committee presented a proposal for a bike repair station to be procured and installed at the GHI administration building. The proposal was approved on 18 March 2021.		X	
	2		Providing marketing material (bicycle bells) for "Bike to Work Day" in May 2021.			X
<b>Buildings Committee</b>	1	The GDC Board requested the Committee to investigate the feasibility of installing LED lighting fixtures at the Parkway Apartments	This item has been placed on hold by the Committee		X	
	2	Investigate feasibility of heat-pump type water heaters for installation in GHI	The Board adopted the task force's recommendation that heat-pump hot water heaters should be installed in masonry units as long as the Pepco rebates continue.			X
	3	Board assigned staff to hire a consultant to investigate options to develop plans and estimates to replace the stairway, rebuilding to correct the existing problems; plans shall consider removal or retention of the tree	The committee completed its work on this assignment; Board directed staff to hire a consultant to recommend options and estimated costs for rebuilding the stairway with and without the tree.			X
	4	Investigate water quality testing options	This assignment was completed. Results showed no abnormalities in quality of water samples obtained from 8 random sites			X
	5	Investigate various solutions to address discoloration on slate roof tiles	not started	X		
	6	Investigate electrification of a set of GHI garages for future EV and other uses.	After conducting a member survey, the Committee recommended that the Board direct staff to implement a pilot program involving the installation of electrical service to four rental garage rows; the Board decided not to take action at the current time.		X	

Committee Task List: Jan - Dec 2021

	7	Recommend a plan to install electric vehicle charging stations for use by members, in areas of GHI <del>without nearby rental garages</del>	A membership survey is in progress.		X	
	8	Begin planning for replacement of plumbing drain pipe in GHI homes and supply pipe in masonry homes	in progress		X	
	9	Building Improvement Options for Townhomes & Larger Homes - Recommend options by 4/30/21.	On July 15, 2021, the Board accepted a set of standard and optional improvements that the Committee and staff recommended.			X
<b>Communications and Marketing Committee</b>		Review and recommend changes to the format of the GHI Member Handbook. Task was assigned by the Board on September 17, 2020	On December 16, 2021, the Board accepted the committee's recommendation to seek the services of a technical writer, technical editor, or other professional with the necessary skill set to update, standardize, format, and revise the Member Handbook and Board policies for clarity and consistency.			X
<b>Companion Animal Committee</b>		Continue to develop articles relating to companion animals.	Ongoing		X	
<b>Finance</b>	1	Review existing reserve plan		X		
	2	Discuss Member education of coop fees and the cooperative's finances			X	
	3	Quarterly review of financial statements GHI & GDC	Completed review of 3rd Quarter financial statements for GHI and GDC			X
<b>GHI's Website Task Force</b>	1	Request demonstrations from Yardi and third party companies	In progress. Yardi completed a demo on 3/22/21. Establishing dates for other vendors.		X	
	2	Establish wire framework and mission for the ghi.coop website	In progress		X	
<b>Investment</b>	1	Monitor Investments (includes review of most recent cash flow schedule)	Ongoing.		X	
	2	Consider changes to investment policy	Ongoing.		X	
	3	Develop RFP for investment advisory services	RFP completed and sent to attorney for review			X
<b>Legislative and Government Affairs</b>	1	Monitor Federal, State and MD legislative actions that may impact GHI	In progress. Will be monitoring bills that will be considered during the 2022 Maryland General Assembly session		X	
	2	On January 21, the Board directed the LGAC in consultation with the Investment Committee to recommend actions by March 31, 2021 that GHI should pursue to have the law changed to remove the restrictions on GHI investments imposed by the Prudent Person Rule.	LGAC's recommendations were reviewed by the Board on 6/3/21.			X

Committee Task List: Jan - Dec 2021

<b>Long-Range Planning Committee</b>	1	Study, discuss, and make recommendations on any issues affecting GHI's ability to continue providing affordable, high-quality housing for its members, along with offering any new facilities, services, or benefits the membership may approve.	The Committee prepared an Initial Research and Data Analysis Report which the Board reviewed on August 6, 2020 and deferred for a further review. Due to a lack of resources, the committee has suspended its operations.		X	
<b>Member Outreach</b>	1	New Member Social	Hosted, via Zoom 1/13/2021 & 10/13/2021		X	
	2	Reestablished the Court Communicator Program hosted - Information Sessions for members to join	Hosted on June 2, 2021			X
<b>GHI RV and Boat Lot Task Force</b>		Make further revisions to the Draft Policy re Storage of Recreational Vehicles in the Boat Lot.	The Board adopted the task force's recommendations on December 16, 2021.			X
<b>Permits Task Force</b>	1	Actions that should be implemented to improve GHI's permit process for improvements, alterations, and additions	The Task Force completed its assignments and the Board adopted the task force's recommendations on December 2, 2021.			X
	2	Whether GHI should charge fees for permit reviews and if so, what amounts should be charged.				
	3	Actions that should be implemented to improve members' understanding of the permit process.				
<b>Records Retention Task Force</b>	1	Review records in UDB and Warehouse	In progress		X	
	2	Establish categories and document types of historical documents	In progress		X	
<b>Storm Water Management Subcommittee</b>	1	Review current GHI rules and procedures relating to storm and ground water on our cooperatively-owned lands, and to recommend policy changes/improvements	The newly hired coop stormwater manager is currently trying to get a better understanding of storm water management needs, regulatory requirements and coop leadership's desire to develop policy recommendations in cooperation with the SWMTF.		X	
	2	Focussing on the drainage problem at 33 Court Ridge Road.	The Task Force would like to focus on the drainage problem at 33 Court Ridge Road. A stormwater model has been run based on 6 months of 33 Ct precipitation data collected by a member on the court as a citizen scientist. A proposal for a design solution has been presented and is being considered by GHI Technical Services. Other options are being considered. Once GHI approves of an approach, the task force intention is to write a grant proposal in partnership with the City of Greenbelt and will set up an appointment with the City's Chief Storm Water Management (SWM) person soon.		X	

Committee Task List: Jan - Dec 2021

	3	<p>I. Increase our understanding of (1) current GHI stormwater issues and (2) future GHI stormwater issues anticipated as a result of increases in extreme precipitation events due to climate change.</p> <p>II. Develop a multi-year plan to address stormwater issues in GHI.</p> <p>III. Develop strategies for implementing improvements/remediation</p> <p>IV. Interact with other committees and task forces within GHI relative to our mission</p>	<p>The newly hired stormwater manager has been familiarizing himself with GHI's maintenance capacity and interactions/capacity of the SWMTF. Items I(1) and I(2) are conceptually understood and will be incorporated into a currently being developed document in support of a DNR grant deliverable (due June 30th) focused on GHI/Greenbelt stormwater issues and resources to support mitigation approaches that will support items 3(II) and 3(III). The GHI stormwater manager has been interacting with and attended the May Woodlands Committee. SW PM will interact with Building Committee on rain barrel regulations.</p>		X	
<b>Transition and Sustainability Task Force</b>	1	<p>Review issues and recommendations presented in the Transition and Sustainability Issues report for purposes of recommending to the Board: a. Which issues require attention in 2021 and the specific next actions that should be taken with any associated staffing or cost implication; and b. Which issues or recommendations are best left to be considered by the Board of Directors and next General Manager.</p>	<p>Work Session held on 6/7/21</p>			X
	2	<p>Hiring of a Transition Consultant to work with and guide the Task Force and Board in designing a transition planning process which appropriately engages the Board, members and staff and prepares GHI for a successful General Manager transition and related changes that advance the mission and sustainability long-term of GHI. This work is different from and preparatory to a search for a new General Manager when the current Manager announces his retirement.</p>	<p>Peggy Sands hired to assist the Task Force</p>			x
	3	<p>Coordinate closely with the Board liaison to the Task Force and the Board in advancing this work incrementally as it occurs, since the issues are interrelated and the resolution of each, influences options for other issues.</p>	<p>in progress</p>		X	

Committee Task List: Jan - Dec 2021

<b>GHI Outdoor Structures Liability Task Force</b>	Recommend changes in policies and procedures to mitigate GHI's liability associated with certain types of outdoor structures that members may wish to install.	On December 2, 2021, the Board stipulated that legal counsel should review the task force's recommendations and draft rules regarding permitting and monitoring of outdoor structures that are an attractive nuisance. On January 6, 2022, the Board requested the task force to review the draft rules that the attorney formulated and recommend changes that should be made.			
<b>Woodlands</b>	1 Undertake FCMA preserve monitoring activities, and plan for pocket parks around the community.	Ongoing.		X	
	2 Implementation of Caretaker Program	In progress.		X	