

Minutes
Greenbelt Homes Inc.
Annual Membership Meeting - May 17, 2012

1. Issuance of Voting Cards: Voting cards were issued to members.
2. Proof of Due Notice of Meeting: Secretary Ed James presented a receipt from the Greenbelt Post office certifying that on April 27, 1,605 pieces of prepaid first class mail with postage totaling \$1,043 was delivered by Greenbelt Homes, Inc. to the facility. This documentation constitutes due notice of meeting in accordance with Article IV, Section 4 of the GHI Bylaws.
3. Certification of Presence of a Quorum: Secretary James announced that at 7:33 p.m. ninety-six persons had registered signifying that a quorum was present to conduct business. Vice President Bill Jones called the meeting to order at 7:35 p.m.

4. Approval of Agenda:

MOTION: MOVE APPROVAL OF THE AGENDA.

Moved: Chuck Hess	Seconded: Ed James	Carried
42D Ridge Road	56C Crescent Road	

5. Action on Minutes of May 18, 2011

MOTION: MOVE APPROVAL OF THE ANNUAL MEMBERSHIP MEETING MINUTES OF MAY 18, 2011.

Moved: Chuck Hess	Seconded: Harris Maclay	Carried
42D Ridge Road	3D Eastway Road	

6a. Reports of Officers, Directors, and Elected committee.

Suzette Agans, 2A Hillside Road, questioned the uninsured cash balance of over \$1.6 million and suggested the Corporation's money could be at risk. Joe Perry, Director of Finance, explained that \$1.3 million shown was for real estate taxes paid the last day of the year, but is part of the dollar amount that the auditors have to consider as uninsured, even though the check would have been written. Upon question by Jim Cooney, 9L Ridge Road, Perry clarified that the funds are held in an insured account throughout the year and transferred at year end to pay the real estate taxes. Lore Rosenthal, 2R Gardenway, referenced a notation that the co-op maintains cash bank balances at several financial institutions in Greenbelt and asked which are used. Perry responded that cash balances are held in the Greenbelt Federal Credit Union and in North State Bank in North Carolina; that not all cash is held in Greenbelt. Rosenthal then inquired how the Board makes the decision on vehicle purchases and whether any are energy efficient or hybrid models. Vice President Jones replied that GHI looks for the best price for replacement vehicles. General Manager Eldon Ralph clarified that because of the low mileage placed on GHI vehicles, the best option is to purchase second hand vehicles rather than hybrid.

Rosenthal then referenced the Investment Committee's report. She mentioned a city council meeting in January where council agreed to support the concept of overturning Citizens United, which gives politicians undue influence in the country. She also said that approximately 55-65 residents attended a movie called, "Inside Job," that showed one company caused the economic collapse in 2008 and the reason houses have decreased in value. She wanted to know how GHI could divest from that company - Goldman Sachs. Jones invited Rosenthal to attend the June 21 meeting of the Investment Committee, to make that recommendation.

6b. Recognition of Volunteers.

Vice President Jones recognized members for their volunteerism.

7. Presentation of Candidates:

Karen Yoho, chair of the Nominations and Elections Committee recognized the members of the N&E: Paula Clinedinst, Don Dorsey, Henry Haslinger, and Rick Ransom. She thanked Member Services staff Joan Krob, Christine Gyemfi, and Monica Johnson for their help throughout the process. Yoho explained the role of the Audit Committee and introduced the candidates for the three open one-year terms: Debbie Cooley, Ben Fischler, and Dianne Wilkerson. Yoho next introduced candidates for the Board of Directors for the five open positions: Irv Wartell, Diana McFadden, David Morse, Frank DeBernardo, Susan Ready, Ken Blue, and Ed James.

8. Nominations and Elections of the Nominations and Elections Committee:

Vice President Jones announced that four members consented to serve on the N&E Committee. Harris Maclay of 3D Eastway nominated Sylvia Lewis from the floor and she agreed to accept the nomination. Elected to the 2012-2013 N&E Committee are: Carol Griffith, Sylvia Lewis, Henry Haslinger, Mara Hemminger and Paula Clinedinst.

9. Old Business:

Jim Cohen, Buildings Committee Chairperson, updated the membership about the Pilot Program.

10. New Business:10a. Proposal for Changes to the Bylaws

Two proposals to amend the bylaws were sent to the membership with the notice of annual meeting and agenda. Vice President Jones placed the first proposal on the floor for consideration.

MOTION: TO APPROVE THE PROPOSED AMENDMENT TO ARTICLE III, SECTION 1 OF THE BYLAWS. *(New language is shown in bold font.)*

“Article III, Section 1 – Membership. Membership in the Corporation shall consist of natural persons of good character and financial responsibility who enter into a Mutual Ownership Contract (MOC) with the Corporation, **or a revocable living trust where the person who established the trust meets the above standards.** A not-for-profit institution, **or living trust,** if approved by the Board of Directors to enter into a MOC with the Corporation, must comply with the financial and good character responsibilities and will hold one membership regardless of the number of units it occupies. **A revocable living trust is permitted to hold a membership in the Corporation only for so long as the person who established the trust is a living natural person and is approved for membership. Promptly after the death of the person who established the revocable living trust, the membership held by the trust must be transferred to a new owner approved by the Board of Directors.** Only one person per dwelling unit may be a member of the Corporation except that a husband and wife or other persons specifically authorized by the Board of Directors may hold a membership jointly. The Corporation subscribes to the equal housing opportunity laws of the State of Maryland and the United States.”

Moved: Bill Jones

15D Ridge Road

Seconded: Chuck Hess

42D Ridge Road

Carried as amended.

Mara Hemminger, 33N Ridge Road, requested an explanation be provided to better understand the proposal. President Jones said currently, the bylaws technically do not allow a living trust to have ownership. He said there are some advantages to the estate if property is held by a living trust. Director Chuck Hess further explained that a living trust is a legal document providing a

mechanism for people to place, control and manage their assets until they die, as opposed to having their assets placed in an estate and probated. Hess explained that the living trust becomes irrevocable at the time of death and what is said in the trust and done with the assets gets done; in other words, it is a private arrangement. Hess said he has not seen a good reason not to allow it, and that is why it is being proposed to the membership.

Kyle McAbee, 9G Ridge Road, said the language as proposed speaks to a single person establishing a trust. He noted that among his acquaintances who have trusts they are frequently established between a husband and wife as co-trustees. He suggested that since GHI has a lot of members who are husband and wife and some who have significant others and share the same unit, the language should be revised so that it no longer reflects a single person establishes the trust, but rather, persons will establish the trust.

Andy Carruthers, 2M Gardenway, asked whether the motion would change the residency requirement. Specifically, would the unit still have to be owner-occupied, occupied by the person who establishes the trust or would it allow proxy occupation of the unit.

Vice President Jones read the last sentence of the proposed language: “Promptly after the death of the person who established the revocable living trust, the Membership held by the trust must be transferred to a new owner approved by the Board of Directors.” Jones inquired of Carruthers if that reading answered his question. Carruthers responded that it did not. Carruthers restated he wanted to know if the person who establishes the trust could live outside of Greenbelt or outside of Maryland and hold the membership and have someone else occupy the unit. In other words, would the trust allow non-residents to be members. Director Hess said, no.

Mary Ernsberger, 15H Laurel Hill Road, offered that one of the requirements of membership is the member must live in the cooperative. She said she thought that requirement would answer the question. Ernsberger then referenced the comments made by member McAbee and read the following from the bylaws: *“Only one person per dwelling unit may be a member of the corporation except that husband and wife or other persons specifically authorized by the Board of Directors may hold a membership jointly.”* She said that passage should answer both questions.

Cynthia Newcomer, 11F Hillside, asked the following hypothetical question: “if a gentlemen had a daughter he wanted to create a living trust for when he died, so the estate would not have to go through probate, would the unit become hers if that was part of the living trust? and if the living trust occurs while they are living and if she is living in the unit while he is alive, does she still have to pass the membership requirements?”

Director Hess answered, “If a member establishes a living trust, they still are the owner and they still have to reside there. The daughter could live with them under the current rules. To have the daughter living there alone, she would have to go through the same procedures as GHI has now in transferring the membership to another family member and meet the criteria for membership. If the member dies, the daughter has to become a member through the normal procedures. GHI rules and the laws of the State would prohibit a minor child living in the unit alone and would have to live with another adult and the adult would have to become a member of GHI and live in the unit as well.”

Elizabeth Jay, 13E Ridge Road, said she has a living trust and her MOC has been changed to reflect that, dating before the adoption of this bylaw change. She wondered if her existing living trust would now be invalid.

Hess said the Board has been approving living trusts in recent years and he did not expect there would be a problem with it and would expect it to continue to be there. Hess said the amendment

was basically making it clear that it is permissible. The argument that was made before this was the bylaws state that the person must be a natural person which means flesh and blood like a real person, not a corporation like the Supreme Court thinks is a person--either a natural person or a nonprofit organization. A living trust is neither of those. However, for practical purposes, as long as the person who created it is alive there is basically no difference in it being in their name or the living trust's name. Jay then asked how promptly is prompt after the death of the person.

Vice President Jones answered it varies depending on the circumstances. He said it could be a month or two. Jay said one of her trustees is already a member of GHI and hoped the arrangement would not complicate things. Jones directed Jay to speak to Hess privately.

Velma Kahn, 2L Research, said she was not clear that the person who would otherwise be the member would have to meet the residency requirements. She said based on what it said in the paragraph of residency, a member might be able to have a living trust, keep the unit, and be a non-resident. Kahn said maybe a clause could be added or maybe it is not necessary since it is covered in the bylaws in other areas.

Jim Cooney, 9L Ridge Road, said there was a lot of uncertainty about what is actually involved, and many unanswered questions. He said if the proposal is defeated our neighbor might not have a valid instrument for her living trust MOC. He said to defeat would signify that what the Board has done is no longer valid and the Board needs to address some of the uncertainties and bring it back to the membership.

MOTION: TO POSTPONE INDEFINITELY.

Moved: Jim Cooney Second: *Unidentified member.* Failed
 9L Ridge Road

Cathy Jones, 24H Ridge Road, voiced concern that since the proposal was sent in advance and if the membership postponed the vote until the next annual meeting, it would not guarantee people would have figured it out by then. She stated she would vote against the motion to postpone. Hess said he spoke to the Director of Member Services, Joan Krob, and the requirement that a member live in the unit is not in the bylaws but in the mutual ownership contract. It still would require the member to live in the unit because it would be the MOC that the living trust would be signing. Mary Ernsberger, 15H Laurel Hill Road, said every question she heard was given a sufficient answer. She said she did not see a need to postpone indefinitely. Sheila Alpers, 30D Ridge Road, suggested changing the word "person" to "person(s)". Vice President Jones said the parliamentarian approved the change of a (s) in four places.

Vote was taken on the motion to postpone; the motion failed.

SECONDARY AMENDMENT: TO CHANGE "PERSON" TO "PERSON(S)" IN FOUR PLACES, INDICATING MORE THAN ONE PERSON.

Moved: Sheila Alpers Seconded: Steve Skolnik Carried by a
 30D Ridge Road 8A Ridge Road vote taken later

Bill Phelan, 57K Ridge Road, suggested that the matter be tabled; that the membership should not be writing motions at a membership meeting. Director David Morse, 46D Ridge Road, asked if the secondary amendment was to change person to person(s). Hess said yes. He commented that most living trusts are created by one person, and the current language was vetted by GHI's attorney. Meadow Platt, 18T Ridge Road, wanted to know if the amendment affects the phrase, "promptly after the person who establishes the living trust." Hess said the lawyers gave the language, and he would not venture a guess on the legality. He said the amendment is moot if only one person makes the living trust. Rachel Channing, 33D Ridge Road, said the language had gone

through the attorney and if the motion passes the attorney would have a second look at it, that the membership didn't have to worry.

MOTION: CALL THE QUESTION.

Moved: Suzette Agans. Seconded: Diana McFadden Carried
 2A Hillside Road 71E Ridge Road.

Vote to call the question carried. Vote on the amendment carried. Vote on the motion as amended carried.

Vice President Jones placed the second proposed amendment to the bylaws on the floor for consideration.

MOTION: TO APPROVE THE FOLLOWING PROPOSED AMENDMENT TO ARTICLE VIII, 11C OF THE BYLAWS. (New language is in **bold** font, language to be removed is shown with a strike through, ~~thusly~~.)

c. All expenditures for supplies, materials, equipment, or contractual services (other than as employees of the Corporation) involving more than \$5,000 shall be pursuant to written contract.

d. It shall be the policy of the Corporation, insofar as is practicable, to award contracts on the basis of sealed competitive bids on approved standards and specifications, and to the bidder who offers the lowest or best bid, the quality of goods, materials, workmanship, time of delivery or performance, and responsibility of the bidder being considered, provided that all bids may be rejected if rejection thereof would be in the best interest of the Corporation and its members.

e. Awarded contracts may be inspected by members and unsuccessful bidders during the regular office hours of the Corporation.

f. No contract entered into by the Corporation for in excess of \$20,000 per year and/or duration in excess of five years, subject to total outstanding multiyear contracts in the amount of \$200,000 for more than two years shall be valid or binding upon the Corporation for a period of more than one year from the date thereof unless said contract shall be approved at a membership meeting by a two-thirds vote. (except contracts with respect to borrowing money, mortgages, mortgage notes, and insurance with the usual one year cancellation clause) provided that the provisions of these Bylaws and the time and purpose limitations thereon as to contracts or obligations, shall not apply to consents, contracts, or obligations of the Corporation relating: **This subsection does not apply to:**

1. To assignments now or hereafter made by members of their ~~Mutual Ownership Contracts;~~
2. To the handling by the Corporation of the servicing of loans made to members; or
3. ~~Otherwise to matters connected with loans to members.~~

1. Assignments now or hereafter made by members of their Mutual Ownership Contracts, or
2. Matters connected with loans to members, or
3. Contracts that may be cancelled, on not more than one year's notice, or

11. Good and Welfare.
 a. Announcements

MOTION: THAT THE MEMBERSHIP APPROVES THE USE OF ANY FUNDS DONATED BACK TO GHI FROM A BOARD MEMBER STIPEND FOR CIVIC AND COMMUNITY PURPOSES, IN ADDITION TO THE AMOUNT PERMITTED IN THE BYLAWS, AS DETERMINED BY THE ENTIRE BOARD OF DIRECTORS.

Moved: Tom Jones
 1C Woodland Way

Seconded: *(unidentified)*

Failed by a
 vote taken later

Eileen Sutker, 29A Ridge Road, said she didn't like the idea of another chunk of change going to another form. She said if this amount is a part of her membership fee every month, at \$100 a month per Board member that would be \$1,200 per year for one Board member. She said she thought that money should come back to her as a member and be in GHI's general fund. Sutker also commented she did not think GHI should be spending on the good of the community just as a politeness. She verbalized that the idea was not well thought out and is the reason she is not in favor of doing it precipitously.

David Morse, 46 D Ridge Road, said he wanted a ruling from the chair to determine if the proposal violates the Bylaws which restricts the amount donated. Jones said the Bylaws restricts the amount of \$2,000. Hess said this is an excellent example why it is necessary to have things brought up prior to the meeting and added that the verbiage of the motion would require the director to accept the stipend and donate it back. This, in turn, would create taxable income for the director even though there may be a deduction for the contribution. Hess ended by stating he did not think this was the intent of the motion and highly recommended it be voted down; that a more thought-out motion be brought to next year's meeting.

Vote on the motion was taken and the motion failed.

- b. Door Prizes:
- i. Three \$100 gift certificates toward GHI co-op fee.
 - Susan Ready, 30C Ridge Road
 - Francis Abell, 73H Ridge Road
 - Jane Jaworski Menis, 4E Ridge Road
 - ii. Four \$25 gift certificates to Co-op Supermarket.
 - Linda Curtis, 13H Ridge Road
 - Bill Edwards, 12G Plateau Place
 - Benjamin Skolnik, 56J Ridge Road
 - Katherine Jarva, 58G Ridge Road
 - iii. Five \$20 gift certificates to the New Deal Café.
 - Rebecca Ossi, 14-L Hillside Road
 - Tom Jones, 1C Woodland Way
 - Dorothea Leslie, 56E Crescent Road
 - Kyle McAbee, 9E Ridge Road
 - Joyce Mangum, 13R Ridge Road

12. Recess

MOTION: TO RECESS.

Moved: Chuck Hess
 42D Ridge Road

Seconded: *Unidentified member.*

Carried

The meeting recessed at 10:15 p.m.

Ed James
Secretary