

**Minutes**  
**GREENBELT DEVELOPMENT CORPORATION**  
**Regular Session**  
**April 6, 2017**

In Attendance: Brodd, Hess, Holland, James, Jones, McFadden, Novinski and Skolnik

Absent: Marcavitch

Other Attendees:

Eldon Ralph, General Manager	Paul Kapfer, Audit Committee Member
Tom Sporney, Assistant General Manager	Gina Wesley
Joe Wiehagen, Director of Homes Improvement Program	Randy Schechter
Joe Perry, Director of Finance	John Soule, Contractor – Neighborhood Remodeling
George Bachman, Director of Maintenance	Susan Cahill
Joan Krob, Director of Member Services	Scott Rudlosky
Molly Lester, Audit Committee Member	Monica Johnson, Recording Secretary
Henry Haslinger, Audit Committee Member	

President Skolnik called the meeting to order at 7:30 p.m.

1. Approval of Agenda

Motion: To approve the agenda.

Moved: Hess

Seconded: James

Carried: 8-0

2. Visitors and Members (Comment Period)

None.

3. For Action or Discussion

3a. Approval of Minutes: Open Session Meeting on February 16, 2017

**Motion: I move that the Board of Directors approve the minutes for the February 16, 2017 Open Session Meeting.**

Moved: James

Seconded: Hess

Carried: 8-0

3b. Approval of Minutes: Open Session Meeting on March 2, 2017

**Motion: I move that the Board of Directors approve the minutes for the March 2, 2017 Open Session Meeting.**

Moved: James

Seconded: Hess

Carried: 7-0-1

Abstained: Brodd

3c. Review 2016 Year-End Financial Statements

Postponed.

Molly Lester, Audit Committee Chair had concerns about incorporating auditor's

recommendation into the report.

Items of Information:

4a. Attorney's Opinion re: Applicability of the Maryland Cooperative Housing Corporation Act to the Greenbelt Development Corporation

Attorney Joe Douglas has stated that the provisions of the Maryland Cooperative Housing Corporation Act governing meetings (e.g., Sections 5-6B-19 and 5-6B-21) do not apply to GDC Board meetings, and the GDC Board is not legally obligated to operate in accordance with the Act. The Attorney's opinion is as follows:

"We have reviewed the Maryland Cooperative Housing Corporation Act (the "Act") and the Articles of Incorporation and Bylaws of both Greenbelt Homes, Inc. ("GHI") and Greenbelt Development Corporation ("GDC").

Section 5-6B-33 of the Act provides that the Act applies to "cooperative housing corporations." The term "cooperative housing corporation" is defined in Section 5-6B-01(g) of the Act as: "a domestic or foreign corporation qualified in this State, either stock or nonstock, having only one class of stock or membership, in which each stockholder or member, by virtue of such ownership or membership, has a cooperative interest in the corporation." [emphasis added]

Section 5-6B-01(h) of the Act defines "cooperative interest" as an "ownership interest in a cooperative housing corporation which is coupled with a possessory interest in real or personal property or both and evidenced by a membership certificate." [emphasis added]

In other words, in order for a corporation to be a cooperative housing corporation, the members of the corporation must have both: (i) an ownership interest in the corporation, and (ii) a "possessory interest" in certain property. This is the case with GHI. Section 6(b) of the GHI Articles of incorporation provides that each member has a "possessory interest" in a dwelling unit, as follows:

"Each member of the Corporation, solely by reason of membership in the Corporation, shall be entitled to enter into a Mutual Ownership Contract which in turn shall entitle the member to occupy ... a dwelling unit in the buildings owned by the Corporation."

Consequently, as you know, GHI fits within the definition of a "cooperative housing corporation" under the Act, and the Act applies to GHI.

However, neither the Articles of Incorporation, nor the Bylaws, of GDC contain any provision whereby stockholders in GDC have any "possessory interest" in property. GDC is simply a stock corporation, the stockholders of which do not have a "cooperative interest" in the corporation, within the meaning of Sections 5-6B-01(g) and (h) of the Act.

This means that GDC is not a "cooperative housing corporation" under the Act, and, consequently, the Act does not apply to GDC.

While GDC may be a subsidiary corporation owned by GHI, GDC is, legally, an entirely separate entity. The Act applies only to cooperative housing corporations, and does not apply to

other legal entities that may be owned by cooperative housing corporations.

All of this means that the Act's provisions governing meetings (e.g., Sections 5-6B-19 and 5-6B-21) do not apply to GDC Board meetings, and the GDC Board is not legally obligated to operate in accordance with the Act. Of course, the GDC Board has the power to determine the procedures under which it will operate, and could choose to adopt procedures similar to those in the Act, if it determined that such procedures would be appropriate."

**Motion: To adjourn.**

Moved: Hess

Seconded: James

Carried: 8-0

The meeting adjourned at 7:44 p.m.

Ed James  
Secretary