

HILEMAN & ASSOCIATES, P.C.

7979 Old Georgetown Road, Suite 600 Bethesda, Maryland 20814 (301) 652-1448 FAX (301) 718-4399 ehileman@hilemanlaw.com

Elizabeth L. Hileman (MD, DC, VA, NY) Nicole A. Williams (MD) November 21, 2006

Via Facsimile (301) 926-1608 and First Class Mail

Lynn Malloy, Community Manager Community Management Corporation 19650 Club House Road, Suite 103 Gaithersburg, Maryland 20886

Re: Maryland Farms Community Services Association, Inc.

Dear Lynn:

This is in response to your request for our opinion regarding the authority for the Maryland Farms Community Services Association, Inc. to operate the three condominium associations known as Maryland Farms Condominium - Phase I ("Phase I"), Maryland Farms Condominium - Phase II ("Phase II") and Maryland Farms Condominium - Phase M ("Phase M").

The Declaration of condominium for Phase I dated August 3, 1974 and recorded in both Montgomery County and Prince Georges County, Maryland provides in its "Whereas" clauses that:

The said "Maryland Farms Condominium – Phase I" has been formed as a part of a larger community of approximately 545 condominium apartments know as "Maryland Farms" (hereinafter know as the "project" or the "condominium project"), which shall include open spaces and other community and recreational facilities; and...

WHEREAS, the Grantor has deemed it desirable, for the efficient preservation of the values and amenity in said community, to create an association to which will be delegated and assigned the powers and duties of maintaining and administering the open spaces and other community facilities, administering and enforcing the

Lynn Malloy, Community Manager November 21, 2006 Page 2

within <u>covenants</u> and restrictions and disbursing the charges and assessments hereinafter created; and

WHEREAS, the <u>Grantor has formed</u> (or intends to form) <u>The Maryland Farms</u> <u>Community Services Association, Inc.</u> as a non-profit corporation without capital stock under the General Laws of the state of Maryland <u>for the purposes of carrying out the powers and duties aforesaid.</u> (Emphasis added.)

In addition the term "Association" is defined in the Declaration in Article I, Section 1(a) to "mean and refer to The Maryland Farms Community Services Association, Inc." All of the powers to operate the condominium in the Declaration are granted to the "Association." including the obligation to pay assessments to the Association.

This Declaration was later made applicable to Phase II and Phase M through supplemental Declarations of the Phase II and Phase M Associations. The Supplemental Declaration of Phase II dated February 1, 1974 and the Supplemental Declaration of Phase M dated December 6, 1973 refer to the above Phase I Declaration and annex the Phase II and Phase M properties into the prior Declaration. The Supplemental Declarations also refer to the fact that Phase II and Phase M are also part of a larger community of approximately 545 condominium apartments to be used and occupied, subject to the Phase I Declaration, the terms of which are expressly incorporated into the Supplemental Declarations as if set forth therein.

The Articles of Incorporation of the Maryland Farms Community Services Association, Inc. ("CSA") state that the general purpose of the corporation is to, "provide for the maintenance and management of certain open spaces and other community and recreational facilities located within a community being developed by Jerry Wolman, trading as 'Maryland Farms Apartments'... hereinafter known as the 'project' or the 'condominium project' in Prince George's County, Maryland and in Montgomery County, Maryland, and to provide management services for the residential properties located therein." The Articles also state that the members of the corporation are every person or entity who is a record owner of any condominium unit which is or becomes subject, by covenants of record, to assessments by the corporation. The Bylaws of the CSA refer to the Master Deed of the condominiums and the Declaration referred to above which is recorded in both Prince George's County and Montgomery County. The powers and duties of the Board of Directors, pursuant to Article V. Section 3 of the CSA Bylaws, include the care, upkeep of the common areas, and "such maintenance and repairs as the Association shall undertake to perform for or on behalf of the association of co-owners of any condominium which is or becomes part of the condominium project," as well as "the establishment, collection, use and expenditure of assessments and/or carrying charges from the members and to provide for the assessments and/or enforcement of liens therefor."

It is clear from these provisions of the governing documents of the three condominiums that the developers of the Maryland Farm Condominium Associations Phases I, II and M intended that they be operated as one Association. A Declaration to establish the operation of all three condominiums by the CSA was recorded among the Land Records for Prince George's County and Montgomery County. It is actually more economical for all of the Associations to

Lynn Malloy, Community Manager November 21, 2006 Page 3

operate together and have one management contract and single contracts for landscaping, snow removal and other essential services. If each Association operated completely independent from the others, the costs would be greater and there would likely be an overlap of the services provided.

I hope that we have addressed the concerns raised by members of the Board of Directors regarding the operation of the condominium associations by the CSA. Please let us know if you have any questions or if we can be of further assistance in this matter.

Sincerely,

Elizabeth L. Hileman

cc: Mr. Dave Hogan

POLICY RESOLUTION

MARYLAND FARMS COMMUNITY SERVICES ASSOCIATION, INC.

PHASE I

A Resolution pertaining to the Delegation of Duties to the Maryland Farms Community Services Association, Inc., Board of Directors.

WHEREAS, Article V, Section 3, of the By-Laws set out the powers and duties of the Board of Directors; and

WHEREAS, Article VIII, Section 3, states that the Corporation may delegate any of its responsibilities to the Management Agent; and

WHEREAS, it is the intent of the Board of Directors to delegate its duties as set out in the Master Deed, By-Laws, and Declaration, to the Board of Directors of the Maryland Farms Community Services Association, Inc.; and

BE IT RESOLVED THAT the Board of Directors authorizes Maryland Farms Community Services Association, Inc., Board of Directors to act on its behalf.

FICARdo

BALINE

ATTEST:

PRESIDENT PHASE IT BOARD OF DIRECTORS

VICE PRESIDENT, PHASE IT BOARD OF DIRECTORS

SECRETARY, PHASE II BOARD OF DIRECTORS

POLICY RESOLUTION

MARYLAND FARMS COMMUNITY SERVICES ASSOCIATION, INC.

PHASE II

A Resolution pertaining to the Delegation of Duties to the Maryland Farms Community Services Association, Inc., Board of Directors.

WHEREAS, Article V, Section 3, of the By-Laws set out the powers and duties of the Board of Directors; and

WHEREAS, Article VIII, Section 3, states that the Corporation may delegate any of its responsibilities to the Management Agent; and

WHEREAS, it is the intent of the Board of Directors to delegate its duties as set out in the Master Deed, By-Laws, and Declaration, to the Board of Directors of the Maryland Farms Community Services Association, Inc.; and

BE IT RESOLVED THAT the Board of Directors authorizes Maryland Farms Community Services Association, Inc., Board of Directors to act on its behalf.

In witness whereof to the adoption of this resolution, we being Directors of the Maryland Farms Condominium Phase II Board of Directors, this 6 day of July, 2007, we set our hands.

ATTEST:

PRESIDENT, PHASE II BOARD OF DIRECTORS

VICE PRESIDENT, PHASE INBOARD OF DIRECTORS

SECRETARY, PHASE II BOARD OF DIRECTORS

POLICY RESOLUTION

MARYLAND FARMS COMMUNITY SERVICES ASSOCIATION, INC.

PHASE M

A Resolution pertaining to the Delegation of Duties to the Maryland Farms Community Services Association, Inc., Board of Directors.

WHEREAS, Article V, Section 3, of the By-Laws set out the powers and duties of the Board of Directors; and

WHEREAS, Article VIII, Section 3, states that the Corporation may delegate any of its responsibilities to the Management Agent; and

WHEREAS, it is the intent of the Board of Directors to delegate its duties as set out in the Master Deed, By-Laws, and Declaration, to the Board of Directors of the Maryland Farms Community Services Association, Inc.; and

BE IT RESOLVED THAT the Board of Directors authorizes Maryland Farms Community Services Association, Inc., Board of Directors to act on its behalf.

In witness whereof to the adoption of this resolution, we being Directors of the Maryland Farms Condominium Phase M Board of Directors, this _____ day of July, 2002, we set our hands.

ATTEST:

Janis					
RESIDENT, PHA	SE M E	BOARD OF	DIRE	CTORS	6
SUSAN	J.	HAW	K, t	1.P.	
Susan 1. ICE PRESIDENT Charles A	Ika	wk,	V.F	?	
ICE PRESIDENT	, PHAS	E M BOA	RD OF	DIRECT	ORS
CharlesA	· W	11.am	5		

SECRETARY, PHASE M BOARD OF DIRECTORS