

Maryland Legislative Action Committee The Legislative Voice of Maryland Community Association Homeowners

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February 12, 2020

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Hon. Senator William C. Smith Chair, Judicial Proceedings Committee Hon. Senator Jeff Waldstreicher Vice Chair, Judicial Proceedings Committee 2 East Miller Senate Office Building Annapolis, MD 21401

Re: House Bill 0471 Condominiums – Disclosures to Unit Owners and Prohibited Provisions in Instruments by Developers Hearing Date: February 12, 2020 Position: Support with Amendment

Dear Chairman Smith, Vice Chairman Waldstreicher, and Committee Members:

This letter is submitted on behalf of the Maryland Legislative Action Committee ("MD-LAC") of the Community Associations Institute ("CAI"). CAI represents individuals and professionals who reside in or work with condominiums, homeowners' associations and cooperatives throughout the State of Maryland.

MD-LAC supports HB 0471 as much needed legislation to protect purchasers of condominium units, with the following requested amendment to Page 2, line 26 to add the words "with a developer or vendor, as defined in section 10-201 of this article," as follows:

26 INFORMATION ABOUT ANY LEGAL AGREEMENT <u>WITH A DEVELOPER OR</u> <u>VENDOR, AS DEFINED IN SECTION 10-201 OF THIS ARTICLE</u>, TO WHICH THE BOARD IS A PARTY.

We support the amendment to include Homeowners Associations as well.

The reason for the suggested amendment is that there are times when settling matters with parties (other than the developer or vendor), that a confidentiality clause in a settlement agreement may be appropriate. For example, if the settlement has necessary compromising terms that may result in further litigation with other parties if revealed, or if it is a settlement of a sensitive matter with an adversarial party that may cause harm or unwarranted public embarrassment. We do not want the provision proposed at paragraph (c) Section 11-109.1 of the Act to work to prevent these settlements or to act to require the Board to provide to all unit owners any and all information about <u>any</u> legal agreement.

We are available to answer any questions the Committee Members may have. Please feel free to contact Lisa Harris Jones, lobbyist for the MD-LAC, at 410-366-1500, or by e-mail at lisa.jones@mdlobbyist.com, or Steven Randol, Chair of the MD-LAC, 410-279-8054, or by e-mail at srandol@pineorchard.com, or Kathleen M. Elmore, Esquire, Ass't Treasurer of the MD-LAC, at 410-544-6644, or by e-mail at kelmore@elmore-throop.com.

Sincerely, Kathleen M. Elmore

Kathleen M. Elmore Ass't Treasurer, CAI MD-LAC

Steven Randol

Steven Randol Chair, CAI MD-LAC