

OCEAN PINES ASSOCIATION, INC.

Legal Overview

Presented by:

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ATTORNEY/PARTNER

LERCH, EARLY & BREWER

OVERVIEW

- One of largest homeowners associations in Maryland.
- Subject to the Maryland Homeowners Association Act.
- Multi-section community – Each Section has its own Declaration of Covenants
- There are number of sub-associations
- Two Classes of Members
 - Members - Lot Owners with voting rights
 - Associate Members – Non-voting but can use the community facilities
- 501(c)(4) Tax Exempt Entity – Facilities Open to the Public

Governing Documents

- Declaration of Covenants – 1 for each Section
- Amended and Restated Charter (Articles of Incorporation)
- Bylaws
- Resolutions (adopted by the Board of Directors)

Declaration of Restrictions

- Recorded in Land Records of Worcester County, Maryland
- Is the contract between the members and Ocean Pines.
- Runs with the land.
- Grants Members an easement to use streets and parks
- Community Facilities, tennis courts, beaches, swimming pools, are available for use based on terms and conditions established by Ocean Pines
- Obligation to pay Annual Charge (Assessment)
- Use Restrictions
- Lot Maintenance Obligations
- Architectural Control

By-Laws

- “Internal operating document”
- Notice requirements
- Voting requirements
- Board size and qualifications
- Referendum
- Powers and duties of the Board
- General powers

Governance Structure

- 7 Member Board of Directors elected by Members
- Officers – Elected by the Board of Directors
- Committees – Appointed by the Board of Directors
- General Manager – Hired by the Board of Directors

Bylaws

- Voting Rights
- Meeting Requirements
- Referendum Requirements
- Board Powers and Duties
- General Manager Powers and Duties

Board of Directors

- 7 Members
- Elected to 3 year terms
- Terms are staggered
- Elected by ballot
- Election results certified at Annual Meeting

Board of Directors Powers and Duties

- Adopt an annual budget
- Set for the Annual Charge
- Hire General Manager
- Adopt rules
- Establish limits on expenditures and contractual approval
- Appoint committees

General Manager

- The General Manager serves as manager of the Association including all departments and units and shall organize, consolidate or combine offices, positions, departments, or units as necessary for efficient operations.
- The General Manager serves as the chief personnel officer of the Association with discretion to appoint, promote, demote, discipline, or discharge employees of the Association in accordance with the personnel policies and procedures established by the Board of Directors. Any new position established must be approved by the Board or provided for in the annual budget.

Committees

- Aquatics
- Budget and Finance
- Elections
- Golf
- Recreation and Parks
- Strategic Planning
- Architectural Review
- Bylaws
- Communications
- Environmental and Natural Assets
- Marine Activities
- Racquet Sports
- Search

Role of Legal Counsel

- Advise the Board of Directors
- Advise General Manager
- Human Resources
- Collection of Assessments
- Enforcement Actions

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Jeremy Tucker is the co-chair of the community association practice group at Lerch Early where he who counsels common interest communities on the legal and practical aspects of making their Maryland and DC properties desirable places to own and live.

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