

**CERTIFICATE OF AMENDMENT OF BYLAWS
OF
FAIRWAYS SOUTH AT LEISURE WORLD, A CONDOMINIUM**

FILED
LORETTA E. KNIGHT
CLERK'S OFFICE
MONTGOMERY COUNTY

2010 JUN 23 A 10: 29

This is to certify that the Bylaws of Fairways South at Leisure World, A Condominium Unit Owners Association, (Mutual 17A) referred to that Declaration made by Rossmoor - IDI, Inc., recorded among the Land Records of Montgomery County, Maryland, in Liber 8838 at Folio 811, et.seq., (said Bylaws being attached to Declaration add "Exhibit B") were duly amended by a Mail Ballot of the membership of said Corporation on March 29, 2010; that said amendment was duly adopted by said Mail Ballot in accordance with all requirements for adoption of an amendment to said Bylaw; that the notice of said Mail Ballot attached hereto as "Exhibit I" is a true and complete copy of the amendments so adopted; and that attached hereto as "Exhibit II" is a certificate of the persons appointed to count votes for the Mail Ballot of the Council of Unit Owners; that the amendment was approved by unit owners having the percentage of votes required by the Bylaws.

In witness whereof we hereunto set our hands and seals this 3rd day of May 2010.

Barbara Cronin
Barbara Cronin, President
Fairways South at Leisure World (Mutual 17A)

ATTEST:

Beatrice Seidner
Beatrice Seidner, Association Secretary
Fairways South at Leisure World (Mutual 17A)

MP FD SURE 22.00
RECORDING FEE 12.00
TOTAL 34.00
Rec'd MONT RLM 4 2166
LEK WND BIK 4 2816
JUN 23 2010 10:23 AM

I.D. No. 1734618

Return to: Claudia Snider
Association Office
3330 N. Leisure World Blvd.
Silver Spring, Maryland 20906

75
20
M

EXHIBIT I
REPORT OF THE MAIL BALLOT
OF MARCH 29, 2010
OF THE MEMBERSHIP OF
FAIRWAYS SOUTH AT LEISURE WORLD
A CONDOMINIUM

MAY 3, 2010

WHEREAS, it has been determined that it is desirable to amend the Bylaws of the Fairways South at Leisure World, A Condominium, after the membership cast ballots regarding the proposed amendments, it was passed by 67.29% of the membership. See attached amendments.

THIS IS TO CERTIFY that the foregoing amendment to the Bylaws was adopted by the membership of Fairways South at Leisure World, A Condominium (Mutual 17A) on May 3, 2010 and that the attached is a true copy of the new Bylaws so adopted.

Barbara Cronin
Barbara Cronin, President

ATTEST:

Beatrice Seidner
Beatrice Seidner, Association Secretary

FAIRWAYS SOUTH AT LEISURE WORLD
A CONDOMINIUM

MUTUAL 17A

EXHIBIT II
REPORT OF INSPECTORS OF ELECTIONS
MEMBERS REPRESENTED BY MAIL BALLOT

The undersigned, duly appointed and qualified Inspectors of Election for the Mail Ballot of members of Mutual 17-A, Fairways South at Leisure World, A Condominium, held on Monday, May 3, 2010, hereby certify that there are registered by mail ballot a total of 203 memberships of said Corporation, as follows, and that the same represent 67.29% of the total value of the project known as Fairways South at Leisure World, Mutual 17A.

Present 67.29% (By mail ballot)

WITNESS our hands the year and day first above written.

Barbara Cronin
Barbara Cronin, President
Inspector

Beatrice Seidner
Beatrice Seidner, Secretary
Inspector

Beverly Chaconas
Beverly Chaconas
Inspector

39485 241
BALLOT

BYLAW AMENDMENTS

I **APPROVE** the eleven proposed amendments to the Bylaws of The Fairways South, as listed below, and described in the Notice of Mail Ballot March 29, 2010.

I **DISAPPROVE** the eleven proposed amendments to the Bylaws, as listed below and described in the Notice of Mail Ballot March 29, 2010.

- Amendment #1 - Section 1.2 Office re: official mailing address.
- Amendment #2 - Section 1.3(d) Definitions re: deleting reference to "Declarant Control Period."
- Amendment #3 - Section 2.9(c) Voting re: board candidates may not be delinquent in condo fees
- Amendment #4 - Section 3.3 Number and Term of Office re: election and terms of office
- Amendment #5 - Section 3.4(c) Qualifications re: candidates may not be delinquent in condo fees
- Amendment #6 - Section 3.8 Regular Meetings re: notice of meetings can be done by e-mail
- Amendment #7 - Section 3.9 Special Meetings re: permit email for notification of Special Meetings
- Amendment #8 - Section 4.1 Designation re: directors and officers must be unit owners.
- Amendment #9 - Section 4.6 Secretary re: deletion of outdated requirement
- Amendment #10 - Section 4.8 Execution of Documents re: current accounting practices
- Amendment #11 - Section 6.1(3)(c) Authority to Purchase re: delete reference to Declarant

MORTGAGEE INFORMATION

If you voted **APPROVE** for the above amendments, please complete the following information:

I do **NOT** have a mortgage on my unit.

I **DO** have a mortgage on my unit. Please provide the following information:

Building and Unit # _____

Owner Name: _____

Mortgage Company: _____

Address: _____

In order to amend the Bylaws, State law requires approval by 66-2/3% of the membership and their mortgagees. Thank you for providing the necessary information to process this amendment.

Unit Owners are asked to give positive consideration to the following proposed amendments to the Bylaws of The Fairways South. The Board of Directors recommends approval of the proposed amendments. To review the entire sections, please refer to your copy of the Bylaws.

Please review this document carefully on the proposed amendment(s) and vote by submitting the ballot (pg1) to the office by **no later than 5:00p.m., Friday, April 30, 2010.**

Please Note: **Bold underlining** indicates additions to the current bylaws.
Strikeout indicates deletions from the current bylaws.

AMENDMENT #1 - SECTION 1.2

Explanation: This amendment will change the official mailing address for The Fairways South from the Leisure World Administration Building to the Association Office.

Section 1.2. Office. The office of the Condominium, the Unit Owners Association, and the Board of Directors shall be located at the Property or at such other place as may be designated from time to time by the Board of Directors. The mailing address of the Unit Owners Association is **3330 North Leisure World Boulevard**, ~~3701 Rossmoor Boulevard~~, Silver Spring, Maryland 20906.

AMENDMENT #2 - SECTION 1.3(d)

Explanation: The proposal is to remove this paragraph entirely. The Declarant, or IDI as the developer, is no longer involved in the operations of the association.

Section 1.3 Definitions.

~~(d) "Declarant Control Period" means the period prior to the date on which units to which seventy-five percent or more of the aggregate Common Element Interests in the entire Condominium, as fully expanded in accordance with the rights reserved in the Declaration, appertain have been conveyed to unit owners other than the Declarant or five years after the first conveyance of a condominium unit to a unit owner other than the Declarant, whichever comes first.~~

Explanation: This amendment will eliminate any unit owner who is in arrears of their condo fee and/or has a lien on their unit from voting at any meeting or being elected to serve on the Board of Directors.

Section 2.9 Voting

(c) No unit owner may vote at any meeting of the Unit Owners Association or be elected to or serve on the Board of Directors if payment of the assessment on the unit is in arrears, delinquent more than sixty days, the Association has recorder a lien against the unit and the amount necessary to bring the account current has not been paid at the time of such meeting or elections.

AMENDMENT #4 - SECTION 3.3

Explanation: Eliminate unnecessary wording from document, to provide clear and concise direction with regard to election and terms of board members.

Section 3.3 Number and Term of Office

(a) **Elected Members. The Board of Directors shall be composed of seven persons, all of whom shall be unit owners or mortgagees or designees of "Mortgagees." Directors shall be elected to serve for terms of three years. Terms shall be staggered so that no more than three directors terms expire in any given year. Except for resignation or removal, the directors shall hold office until their respective successors shall have been elected by the Unit Owners Association.**

~~(a) Designated Members The initial Board of Directors shall consist of no less than three nor more than seven persons, all of whom shall be designated by the Declarant. The term of office of at least two directors shall expire at the third annual meeting after the special meeting held pursuant to Section 2.4(b); the term of office of up to three additional directors shall expire at the second annual meeting after the special meeting held pursuant to Section 2.4(b); and the term of office of any other directors shall expire at the first annual meeting after the special meeting held pursuant to Section 2.4(b). The term of each designee shall be fixed by the Declarant. At the expiration of the term of office of all directors designated by the Declarant or elected at the special meeting held pursuant to subsection 2.4(b), all successor directors shall be elected to serve for terms of three years.~~

~~(b) Elected Members. No later than the first annual meeting of the Unit Owners Association after the special meeting held pursuant to Section 2.4 (b), the Board of Directors shall be composed of seven persons, all of whom shall be unit owners, Mortgagees (or designees of Mortgagees) or designees of the Declarant. Except for resignation or removal, the directors shall hold office until their respective successors shall have been elected by the Unit Owners Association.~~

Explanation: This amendment will prohibit a unit owner from being elected to the Board of Directors if they are in arrears of their condo fee.

Section 3.4 Elections Committee

(c) Qualifications. No person shall be eligible for elections as a member of the Board of Directors unless such person is (alone or together with one or more other persons) a unit owner, a Mortgagee (or designee of a Mortgagee). No person shall be elected as a director or continue to serve as a director if such person is **in arrears**, ~~more than sixty days delinquent in meeting financial obligations to the Unit Owners Association and a lien has been filed against such person's unit.~~

AMENDMENT #6 - SECTION 3.8

Explanation: This amendment will permit the Board of Directors to notify each director of meetings via e-mail, in addition to other means of notification.

Section 3.8 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but such meetings shall be held at least once every four months during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each directors, personally or by mail, **e-mail**, telegraph or telephone, at least three business days prior to the day named for such meeting. Notice of the proposed schedule of regular meetings shall be sent to all unit owners at least annually.

AMENDMENT #7 - SECTION 3.9

Explanation: This amendment permits using e-mail to notify directors when a special meeting of the board is called.

Section 3.9 Special Meetings. Special meetings of the Board of Directors may be called by the President on three business days notice to each director, given personally or by mail, **e-mail**, telegraph or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three directors.

AMENDMENT #8 - ARTICLE 4.1

Explanation: Clarifies the ruling that each director and officer must be an owner residing in The Fairways South.

Section 4.1 Designation. The principal Officers of the Unit Owners Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary and such other Officers as in its judgement may be necessary. ~~The President and Vice President shall be residents of the Condominium and members of the Board of Directors. Any other Officers may, but need not, be unit owners or directors.~~ All must be resident owners of the Condominium.

AMENDMENT #9 - SECTION 4.6

Explanation: This amendment deletes an outdated requirement to register with the State when the association was originally created.

Section 4.6 Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners Association and of the Board of Directors; have charge of such books and papers as the Board may direct; give or cause to be given all notices required to be given by the Association; maintain a register setting forth the place to which all notices to unit owners and Mortgagees hereunder shall be delivered; and, in general, perform all the duties incident to the office of secretary. Pursuant to section 11-119 (d) of the Condominium Act, following the first annual meeting of the Association, the Secretary shall register with the State of Maryland Department of Assessments and Taxation ("Department"), provide the Department with the names and mailing addresses of the officers and directors, if any, and pay the required registration fee. The Secretary shall file with the Department on April 15 of each year the name and address of the resident agent and managing agent, if any, and pay the required filing fee. The Secretary may delegate the responsibility to file with the Department to a managing agent.

AMENDMENT #10 - SECTION 4.8

Explanation: This amendment brings the bylaws into conformance with current accounting procedures which require two signatures on each check.

Section 4.8 Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Unit Owners Association for expenditure or obligations in excess of two-tenths of one percent of the total annual assessment for common expenses for that fiscal year, and all checks drawn upon reserve accounts, shall be executed by any two persons designated by the Board of Directors. ~~All such instruments for expenditures or obligations of two-tenths of one percent of the total annual assessment for common expenses for that fiscal year or less, except from reserve accounts, may be executed by any one person designated by the Board of Directors.~~

AMENDMENT #11 - SECTION 6.1(3)(c)

Explanation: Delete this entire section, as the Declarant (IDI) is no longer part of the condominium.

~~Section 6.1 Authority of Purchase; Notice:~~

~~3(c)The Declarant, so long as Declarant shall own any unit, shall be protected by all such policies as a unit owner. The coverage provided to the Declarant under the insurance policies obtained in compliance with this Article 6 shall not be deemed to protect or be for the benefit of any general contractor engaged by the Declarant nor shall such coverage be deemed to protect the Declarant against liability for (or waive any rights with respect to) warranty claims.~~

STATE OF MARYLAND)
) §
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on this 21 Day of June, 2010 before me, this subscriber, a Notary Public in and for the State and County aforesaid, personally appeared, Barbara Cronin, who made oath in due form of law that she executed in her capacity as President of Fairways South at Leisure World, A Condominium, the foregoing document (Certification of Amendment of Bylaws, Fairways South at Leisure World, A Condominium) for the purposes therein contained, and acknowledges this to be her act.

WITNESS my hand and notarial seal.

Patricia M. Haack

Patricia M. Haack, Notary Public
PATRICIA M. HAACK
NOTARY PUBLIC STATE OF MARYLAND
County of Montgomery
My Commission expires My Commission Expires August 11, 2011

STATE OF MARYLAND)
) §
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on this 21 Day of June, 2010 before me, this subscriber, a Notary Public in and for the State and County aforesaid, personally appeared, Beatrice Seidner, who made oath in due form of law that she executed in her capacity as President of Fairways South at Leisure World, A Condominium, the foregoing document (Certification of Amendment of Bylaws, Fairways South at Leisure World, A Condominium) for the purposes therein contained, and acknowledges this to be her act.

WITNESS my hand and notarial seal.

Patricia M. Haack

Patricia M. Haack, Notary Public
PATRICIA M. HAACK
NOTARY PUBLIC STATE OF MARYLAND
County of Montgomery
My Commission Expires August 11, 2011

My Commission expires _____

BYLAWS**ARTICLE 1****GENERAL PROVISIONS**

Section 1.1. Applicability. These Bylaws provide for the governance of the Condominium pursuant to the requirements of section 11-104 of the Condominium Act. The Property, located in Montgomery County, Maryland and more particularly described in the Declaration, has been submitted to the provisions of the Condominium Act by recordation simultaneously herewith of the Declaration and Plats and Plans among the land records of Montgomery County, Maryland.

Section 1.2. Office. The office of the Condominium, the Unit Owners Association, and the Board of Directors shall be located at the Property or at such other place as may be designated from time to time by the Board of Directors. The mailing address of the Unit Owners Association is 3330 N. Leisure World Blvd., Silver Spring, Maryland 20906. (this section amendment 5/3/2010).

Section 1.3. Definitions. Terms used herein without definition shall have the meanings specified for such terms in the Declaration to which these Bylaws are attached as Exhibit B, or if not defined therein, the meanings specified for such terms in section 11-101 of the Condominium Act. The following terms have the following meanings in the condominium instruments:

(a) "Board of Directors" or "Board" means the executive organ established pursuant to Article 3 of these Bylaws.

(b) "Common Element Interest" means the number assigned to each unit by Exhibit C of the Declaration which establishes each unit's undivided interest in the common elements, common expenses and common profits and votes in the Unit Owners Association.

(c) "Condominium Instruments" shall be a collective term referring to the Declaration, Bylaws, and Plats and Plans, recorded pursuant to the Condominium Act. Any exhibit, schedule or certification accompanying a

condominium instrument and recorded simultaneously therewith shall be deemed an integral part of that condominium instrument. Any amendment or certification of any condominium instrument shall, from the time of the recordation of such amendment or certification, be deemed an integral part of the affected condominium instrument.

(d) "Leisure World of Maryland Trust" means the Trust responsible for the maintenance, operation and control of various facilities within the Rossmoor Community pursuant to the Trust Agreements recorded on March 15, 1966 at Liber 3479, Folio 396 and May 3, 1979 at Liber 5315, Folio 249 among the land records of Montgomery County, Maryland, and any amendments thereto.

(e) "Limited Common Expenses" means expenses separately assessed against more than one but less than all of the condominium units generally in accordance with the use of the services, as permitted by subsection 11-110 (b) (2) of the Condominium Act and Section 5.1 of these Bylaws. Except where the context requires otherwise, common expenses shall include Limited Common Expenses.

(f) "Majority Vote" means a vote by those unit owners owning condominium units to which more than fifty percent of the aggregate Common Element Interest actually voted in person or by proxy at a duly convened meeting at which a quorum is present. Any specified percentage vote of the unit owners means a vote by the unit owners owning condominium units to which such percentage of Common Element Interests appertain with respect to the total Common Element Interests voting at such meeting. Any specified percentage vote of the Mortgagees means a vote by the Mortgagees of condominium units to which such percentage of the total number of votes appertain. "Plurality Vote(s)" means an excess of vote(s) over those cast for opposing candidate(s) or the greatest number of vote(s) cast, but not necessarily a majority, the counting of vote(s) to be based on the same principle as apply to a "Majority Vote". (this section amended 05/21/02)

(g) "Mortgagee" means an institutional lender (one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds, or

business trusts including but not limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction, or improvement of real estate, or any assignee of loans made by such lender, or any combination of any of the foregoing entities) holding a first mortgage or first deed of trust ("Mortgage") encumbering a condominium unit in the Condominium. For purposes of Article 8 of these Bylaws and Article 11 of the Declaration only, when any right is to be given to a Mortgagee, the Board of Directors shall also give such right to the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity participating in purchasing or guarantying Mortgages if the Board has notice of such participation.

(h) "Officer" means any person holding office pursuant to Article 4 of these Bylaws, but shall not mean members of the Board of Directors unless such directors are also officers pursuant to Article 4.

(i) "Plats and Plans" means the documents attached as Exhibits D and E, respectively, to the Declaration, which show the location of the buildings and improvements on the land, the location of the units in the buildings and the elevations of the unit boundaries. The Plats and Plans are also recorded separately among the land records of Montgomery County, Maryland and constitute the Condominium Plat, pursuant to section 11-105 of the Condominium Act.

(j) "Reserved Common Element" means a common element in which the Board of Directors has granted a revocable license for exclusive use by less than all of the unit owners.

(k) "Rossmoor Community" means the planned community in Montgomery County, Maryland, in which the Condominium is located, which consists of various housing developments and certain common facilities controlled and maintained pursuant to the Leisure World of Maryland Trust.

(l) "Unit Owners Association" or "Association" means the unincorporated, non-profit association of all the unit owners owning condominium units in the Condominium. "Unit Owners Association" or "Association" shall

have the same meaning as "Council of Unit Owners", as defined in the Condominium Act.

ARTICLE 2

Unit Owners Association

Section 2.1. Composition. The Unit Owners Association shall consist of all of the unit owners. The name of the Unit Owners Association shall be the name of the Condominium followed by the words "Unit Owners Association". For all purposes the Unit Owners Association shall act merely as an agent for the unit owners as a group. The Unit Owners Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Association by the Condominium Act and the Declaration. Except as to those matters which the Condominium Act specifically requires to be performed by the vote of the unit owners, the foregoing responsibilities shall be performed by the Board of Directors or managing agent as more particularly set forth in Article 3 of these Bylaws.

Section 2.2. Annual Meetings. The annual meetings of the Association shall be held on weekdays at least forty-five days before the beginning of each fiscal year. At such annual meetings the Board of Directors shall be elected by ballot of the unit owners in accordance with the requirements of Section 3.4 of these Bylaws.

Section 2.3. Place of Meetings. Meetings of the Unit Owners Association shall be held at the principal office of the Association or at such other suitable place convenient to the unit owners as may be designated by the Board of Directors.

Section 2.4. Special Meetings. The President shall call a special meeting of the Unit Owners Association if so directed by resolution of the Board of Directors or, upon a petition signed and presented to the Secretary by unit owners

of not less than twenty-five percent of the aggregate Common Element Interests. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.5. Notice of Meetings. The Secretary shall furnish to each unit owner a notice of each annual meeting of the unit owners at least fifteen days but not more than thirty days, and of each special meeting of the unit owners at least fifteen days but not more than thirty days, prior to such meeting, stating the time, place and purpose thereof. The giving of a notice of meeting in the manner provided in this section and Section 11.1 of the Bylaws shall be considered service of notice. (this section amended 5/21/02)

Section 2.6. Quorum and Adjournment of Meetings. Except as otherwise provided in these Bylaws, the presence in person or by proxy of twenty-five percent or more of the unit owners shall constitute a quorum at all meetings of the Unit Owners Association.

If at any meeting of the Unit Owners Association a quorum is not present, unit owners of a majority of the Common Element Interests who are present at such meeting in person or by proxy may adjourn the meeting to a time not less than fifteen days after the time the original meeting was called, and shall comply with section 5.206 of the Corporations and Associations Article of the Annotated Code of Maryland (1985 Replacement Vol.)

Section 2.7. Order of Business. The order of business at all meetings of the Unit Owners Association shall be as follows: (a) roll call (proof of quorum); (b) proof of notice of meeting; (c) approval of minutes of preceding meeting; (d) reports of officers; (e) report of Board of Directors; (f) reports of committees; (g) election or appointment of inspectors of election (when so required); (h) election of members of the Board of Directors (when so required); (i) unfinished business; and (j) new business; provided, however, that balloting for election of directors may commence at any time.

Section 2.8. Conduct of Meetings. The President shall preside over all meetings of the Unit Owners Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting. The President may

appoint a person to serve as parliamentarian at any meeting of the Unit Owners Association. The then current edition of Robert's Rules of Order, Revised shall govern the conduct of all meetings of the Unit Owners Association when not in conflict with the Condominium Act or the condominium instruments. Tellers, appointed by the President or other Officer presiding over the meeting, shall supervise the tallying of all votes, and the names and addresses of the tellers shall be recorded in the minutes of the meeting.

Section 2.9. Voting. (a) Voting at all meetings of the Unit Owners Association shall be on a percentage basis and the percentage of the vote to which each unit owner is entitled shall be the Common Element Interest assigned to such unit owner's unit in the Declaration. Where the ownership of a unit is in more than one person, the person who shall be entitled to cast the vote of such unit shall be the person named in a certificate executed by all of the owners of such unit and filed with the Secretary or, in the absence of such named person from the meeting, the person who shall be entitled to cast the vote of such unit shall be the person owning such unit who is present. If more than one person owning such unit is present, then such vote shall be cast in accordance with their unanimous agreement, or as provided in section 2-508(c) of the Corporations and Associations Article of the Annotated Code of Maryland (1985 Replacement Vol.). Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Wherever the approval or disapproval of a unit owner is required by the Condominium Act or the condominium instruments, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such unit at any meeting of the Unit Owners Association. There shall be no cumulative voting.

(b) Except where a greater number is required by the Condominium Act or the Condominium Instruments, a plurality vote is required to elect directors at any meeting of the Unit Owners Association. Further, except where a greater number is required by the Condominium Act or the Condominium Instruments, a majority vote is required to remove directors or to adopt decisions. (this section amended 5/21/02)

(c) No unit owner may vote at any meeting of the Unit Owners Association or be elected to or serve on the Board of Directors if payment is in arrears. (this section amended 5/3/2010)

Section 2.10. Proxies. A vote may be cast in person or by proxy. Such proxy may be granted by any unit owner in favor of only another unit owner, or such unit owner's Mortgagee, or in the case of a non-resident unit owner, the lessee of such unit owner's unit, or such unit owner's attorney or management agent. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from any of the persons owning such unit. Except with respect to proxies in favor of a lessee or Mortgagee, no proxy shall in any event be valid for a period in excess of one hundred and eighty days after the execution thereof. Only instructed proxies may be cast for the election of the Board of Directors; uninstructed proxies may be counted for quorum purposes and may be cast other than for the election of the Board of Directors.

ARTICLE 3

BOARD OF DIRECTORS

Section 3.1. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Unit Owners Association and may do all such acts and things as are not by the Condominium Act or the condominium instruments required to be exercised and done by the Association. The Board of Directors shall have the power from time to time to adopt any rules and regulations deemed necessary for the benefit and enjoyment of the Condominium in accordance with Section 5.8 (b) hereof; provided, however, that such rules and regulations shall not be in conflict with the Condominium Act or the condominium instruments. The Board of Directors shall delegate to one of its members or to a person employed for such purpose the authority to act on behalf of the Board on such matters relating to the duties of the managing agent (as defined in Section 3.2 hereof), if any, which may arise between meetings of the Board as the Board deems appropriate. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board shall on behalf of the Association:

(a) Prepare and adopt an annual budget, in which there shall be expressed the assessments of each unit owner for the common expenses.

(b) Make assessments against unit owners to defray the costs and expenses of the Condominium, establish the means and methods of collecting such assessments from the unit owners and establish the period of the installment payment of the annual assessment for common expenses.

(c) Provide for the operation, care, upkeep and maintenance of all of the Property and services of the Condominium.

(d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the common elements and provide services for the Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property.

(e) Collect the assessments against the unit owners including Community Facilities Fees, deposit the proceeds thereof in bank depositories designated by the Board of Directors and use the proceeds to carry out the administration of the Property in accordance with the Condominium Instruments and the governing documents of the Leisure World of Maryland Trust.

(f) Make and amend the rules and regulations in accordance with Section 5.8 (b) hereof.

(g) Open bank accounts on behalf of the Unit Owners Association and designate the signatories thereon.

(h) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Property, and repairs to and restoration of the Property, in accordance with these Bylaws, after damage or destruction by fire or other casualty, or as a result to condemnation or eminent domain proceedings.

(i) Enforce by legal means the provisions of the Declaration, these Bylaws and the rules and regulations, act on behalf of the unit owners with respect

to all matters arising out of any eminent domain proceeding, and notify the unit owners of any litigation against the Unit Owners Association involving a claim in excess of ten percent of the amount of the annual budget.

(j) Obtain and carry insurance against casualties and liabilities, as provided in Article 6 of these Bylaws, pay the premiums therefor and adjust and settle any claims thereunder.

(k) Pay the cost of all authorized services rendered to the Unit Owners Association and not billed to unit owners of individual units or otherwise provided for in Sections 5.1 and 5.2 of these Bylaws.

(l) In Accordance with section 11-116 of the Condominium Act, keep books with detailed account in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium, specifying the expenses of maintenance and repair of the common elements and any other expenses incurred. Such books and vouchers accrediting the entries therein shall be available for examination by the unit owners, their attorneys, accountants, Mortgagees and authorized agents during general business hours on business days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the unit owners. All books and records shall be kept in accordance with generally accepted accounting principles, and the same shall be audited at least once each year by an independent auditor retained by the Board of Directors who shall not be a resident of the Condominium or a unit owner. The cost of such audit shall be a common expense.

(m) Notify a Mortgagee of any default hereunder by the unit owner of the unit subject to such Mortgage, in the event such default continues for a period exceeding sixty days.

(n) Borrow money on behalf of the Condominium when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the common elements; provided, however, that the consent of at least two-thirds in number and in Common Element Interest of all unit owners, obtained either in writing or at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to borrow any sum in excess of one percent of the total annual assessment for common expenses

for that fiscal year. If any sum borrowed by the Board of Directors on behalf of the Condominium pursuant to the authority contained in this subsection (n) is not repaid by the Unit Owners Association, a unit owner who pays to the creditor a percentage of the total amount due equal to such unit owner's Common Element Interest in the Condominium shall be entitled to obtain from the creditor a release of any judgment or other lien which such creditor shall have filed or shall have the right to file against such unit owner's condominium unit, and the Association shall not be entitled to assess the unit for payment of the remaining amount due such creditor.

(o) Acquire, hold and dispose of condominium units and mortgage the same if such expenditures and hypothecations are included in the budget adopted by the Unit Owners Association.

(p) In its sole discretion, from time to time to designate certain common elements as Reserved Common Elements and impose such restrictions and conditions on the use thereof as the Board of Directors deems appropriate.

(q) Upon receipt of such payment as may be established by the Board of Directors in compliance with section 11-135 (c) (1) of the Condominium Act, furnish the statement required by section 11-135 (c) (1) of the Condominium Act within twenty days after the receipt of a written request therefor from any unit owner, substantially in the form set forth on Exhibit A to these Bylaws and designated "Certificate for Resale."

(r) Grant and accept easements, rights-of-way, licenses, leases in excess of one year or similar interests through, over or across the common elements in accordance with section 11-109 (d) (14) of the Condominium Act pursuant to section 11-125 (f) of the Condominium Act.

(s) Do such other things and acts not inconsistent with the Condominium Act or the condominium instruments which the Board of Directors may be authorized to do by a resolution of the Unit Owners Association.

Section 3.2. Managing Agent. The Board of Directors shall employ for the Condominium a "managing agent" at a compensation to be established by the Board.

(a) **Requirements.** The managing agent shall be a bona fide business enterprise, which manages common interest residential communities. Such firm or its principals shall have a minimum of two years experience in real estate community management and shall employ persons possessing a high level of competence in the technical skills necessary to proper management of the Condominium. The managing agent must be able to advise the Board of Directors regarding the administrative operation of the Condominium and shall employ personnel knowledgeable in the areas of condominium insurance, accounting, contract negotiation, labor relations and condominium regulation.

(b) **Duties.** The managing agent shall perform such duties and services as the Board of Directors shall direct. Such duties and services may include, without limitation, the duties listed in subsections 3.1 (a), (c), (d), (e), (h), (i), (j), (k), (l), (m), (r), and (s). The Board of Directors may delegate to the managing agent all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in subsections 3.1 (b), (f), (g), (n), (o), (p) and (q). The managing agent shall perform the obligations, duties and services relating to the management of the property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of these Bylaws.

(c) **Standards.** The Board of Directors shall impose appropriate standards of performance upon the managing agent. Unless the managing agent is instructed otherwise by the Board of Directors:

(1) the accrual method of accounting shall be employed and expenses required by these Bylaws to be charged to more than one but less than all unit owners shall be accounted for separately;

(2) two or more persons shall be responsible for handling cash to maintain adequate financial control procedures;

(3) cash accounts of the Unit Owners Association shall not be commingled with any other accounts;

(4) no remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Unit Owners Association whether in the form of commissions, finders fees,

service fees or otherwise; any discounts received shall benefit the Association;

(5) any financial or other interest which the managing agent may have in any firm providing goods or services to the Unit Owners Association shall be disclosed promptly to the Board of Directors; and

(6) a monthly financial report shall be prepared for the Unit Owners Association containing:

(a) an "income statement" reflecting all income and expense activity for the preceding month on an accrual basis;

(b) an "account activity statement" reflecting all receipt and disbursement activity for the preceding month on a cash basis;

(c) an "account status report" reflecting the status of all accounts in an "actual" versus "projected" (budget) format;

(d) a "balance sheet" reflecting the financial condition of the Unit Owners Association on an unaudited basis;

(e) a "budget report" reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent of a major budget category (as distinct from a specific line item in an expanded chart of accounts); and

(f) a "delinquency report" listing all unit owners who are delinquent in paying condominium assessments and describing the status of any actions to collect such assessments.

Section 3.3. Number and Term of Office.

(a) **Elected Members.** The Board of Directors shall be composed of seven persons, all of whom shall be unit owners or mortgagees or designees of "Mortgagees". Directors shall be elected to serve for terms of three years. Terms shall be staggered so that no more than three directors terms expire in any given year. Except for resignation or removal, the directors shall hold office until their

respective successors shall have been elected by the Unit Owners Association.
(this section amended 5/3/2010)

Section 3.4. Election of Directors.

(a) **Elections Committee.** At least ninety days prior to the special meeting required by Section 2.4 and each annual meeting of the Unit Owners Association, the Board of Directors shall appoint an Elections Committee consisting of a member of the Board whose term is not then expiring and at least three other unit owners. The Elections Committee shall develop election procedures and administer such procedures as are approved by the Board providing for election of directors by ballot of the unit owners at annual meetings and, where appropriate, special meetings, in accordance with section 11-109 (c) of the Condominium Act.

(b) **Nominations.** A call for nominations shall be sent to all unit owners at least forty-five days prior to sending notice of an election. Persons qualified to be directors may be nominated for election only by a nominating petition submitted to the chairman of the Elections Committee at least fifteen days before the furnishing of the notice of the meeting at which the election is to be held signed by persons owning fee simple interests in and representing in the aggregate at least five units and either signed by the nominee or accompanied by a document signed by the nominee indicating the willingness to serve as a director; provided, however, that additional nominations may be made from the floor at the meeting at which the election is held for each vacancy on the Board of Directors for which no more than one person has been nominated by petition. The nominee must either be present and consent to the nomination or have indicated in writing the willingness to serve. (this section amended 5/21/02)

(c) **Qualifications.** No person shall be eligible for election as a member of the Board of Directors unless such person is (alone or together with one or more other persons) a unit owner, a Mortgagee (or designee of a Mortgagee). No person shall be elected as a director or continue to serve as a director if such person is in arrears. (this section amended 5/3/2010)

Section 3.5. Removal or Resignation of Directors. Except as provided in Section 2.9 of these Bylaws, at any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by a Majority Vote of the unit owners (as defined in Subsection 1.3 (g) of these Bylaws) and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the unit owners shall be given at least seven days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A director may resign at any time (i) in person at a meeting of the Board or the Association or (ii) by giving written notice to an officer. Resignation of a director is effective when delivered unless the notice specifies an effective date which is not more than thirty days after the date of the notice and shall be deemed to have resigned automatically and without notice upon disposition of such director's unit, or if not in attendance at three consecutive regular meetings of the Board, unless the minutes reflect consent to such absence.

Section 3.6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Unit Owners Association shall be filled by a vote of a majority of the remaining directors at a special meeting of the Board held for such purpose promptly after the occurrence of any such vacancy, even though the directors present at such meeting may constitute less than a quorum because a quorum is impossible to obtain. Each person so elected shall be a director until a successor shall be elected at the next annual meeting of the Association. The term of the replacement director so elected shall expire so that the staggered terms of directors shall remain unaffected.

Section 3.7 Organization Meeting. The first meeting of the Board of Directors following the annual meeting of the Unit Owners Association shall be held within thirty days thereafter for the purpose of electing officers of the Association. The presiding officer for the purpose of conducting the election shall be a Management Official of the Leisure World of Maryland Corporation and that official will conduct the election of Board Officers. (this section amended 05/21/02)

Section 3.8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but such meetings shall be held at least once every four months during each fiscal year. Notice of regular meetings of the

Board of Directors shall be given to each director, personally or by mail, e-mail, or telephone, at least three business days prior to the day named for such meeting. Notice of the proposed schedule of regular meetings shall be sent to all unit owners at least annually. (this section amended 5/3/2010)

Section 3.9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three business days notice of each director, given personally or by mail, e-mail or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three directors. (this section amended 5/3/2010)

Section 3.10. Waiver of Notice. Any director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director, in person or by telephone communication, at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.11. Quorum of Board of Directors. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have transacted at the meeting originally called may be transacted without further notice. A director who participates in a meeting by means of telephone communication shall be deemed present at the meeting for all purposes.

Section 3.12. Compensation. No director shall receive any compensation from the Condominium for acting as such.

Section 3.13. Conduct of Meetings; Executive Session.

(a) The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of the Board recording therein all resolutions adopted by the Board and a record of all transactions and

proceedings occurring at such meetings. The then current edition of Robert's Rules of Order, Revised shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Condominium Act or the condominium instruments.

(b) All meetings of the Board of Directors shall be open to unit owners as observers, except that the President or presiding officer may call the Board into executive session on sensitive matters such as personnel, litigation, strategy or hearings for violations of the condominium instruments, as provided in section 11-109.1 of the Condominium Act. Any final action taken by the Board in executive session shall be recorded in the minutes.

Section 3.14. Action Without Meeting. Subject to the provisions of sections 11-109.1 and 11-109.2 of the Condominium Act, any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 3.15. Board of Directors as Attorney-in-Fact. The Board of Directors shall have the power to act as agent and attorney-in-fact for the unit owners of all of the units and for each of them, to manage, control and deal with the interests of such unit owners in the common elements of the Condominium to permit the Board of Directors to fulfill all of its powers, rights, functions and duties. The Board of Directors shall have the power to act as agent and attorney-in-fact for each unit owner, each Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Condominium or the Property to: (i) adjust and settle all claims arising under insurance policies purchased by the Board of Directors, in accordance with section 11-114 of the Condominium Act, (ii) execute and deliver releases upon the payment of claims and (iii) act on their behalf in any condemnation proceeding or action of eminent domain pursuant to section 11-112 of the Condominium Act; provided, however, that the consent of a Mortgagee shall be required if such Mortgagee notifies the Board of Directors pursuant to Section 11.1 of the Bylaws within thirty days after receipt of notice of the damage pursuant to subsection 6.2 (c) of the Bylaws or notice of the taking in condemnation or by eminent domain pursuant to Section 8.2 of the Bylaws. The powers hereby granted shall be in addition to any rights granted by section 11-109 of the Condominium Act. The Board of Directors may grant and accept easements and licenses pursuant to section 11-109 of the

Condominium Act.

Section 3.16. Liability of the Board of Directors, Officers, Unit Owners and Unit Owners Association.

(a) The officers, directors and members of the Covenants Committee shall not be liable to the Unit Owners Association or any unit owner for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners Association shall indemnify and hold harmless each of the Officers and directors from and against all contractual liability to others arising out of contracts made by the Officers of the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Act or the condominium instruments, except to the extent that such liability insurance. Officers and directors shall have no personal liability with respect to any contract made by them on behalf of the Unit Owners Association. The liability of any unit owner arising out of any contract made by the Officers or Board of Directors, or out of the indemnification of the Officers or directors, or for damages as a result of injuries arising in connection with the common elements solely by virtue of ownership of a Common Element Interest therein or for liabilities incurred by the Unit Owners Association, shall be limited to the total liability multiplied by such unit owner's Common Element Interest. Every agreement made by the Officers, the Board of Directors or the managing agent on behalf of the Unit Owners Association shall, if obtainable, provide that the Officers, the directors or the managing agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder (except as unit owners), and that each unit owner's liability thereunder shall be limited to the total liability thereunder multiplied by such unit owner's Common Element Interest. The Unit Owners Association shall indemnify and hold harmless each of the members of the Covenants Committee, other Committee members and other volunteers, in accordance with the Leisure World Community Corporation Indemnification Guideline, from and against all liability to others arising out of the due exercise of their responsibilities unless their action shall have been taken in bad faith or contrary to the provisions of the Condominium Act or the condominium instruments. The Unit Owners Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such person is or was an Officer or director of the Association or a member of the Covenants Committee against expenses (including attorneys' fees), judgments, fines and

amounts paid in settlement incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Condominium, in accordance with section 2-418 of the Corporations and Associations Article of the Annotated Code of Maryland (1985 Replacement Vol.). (this section amended 5/25/04)

(b) The Unit Owners Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a common expense, or for injury or damage to person or property caused by the elements or by the unit owner of any condominium unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from or over any portion of the common elements or from any pipe, drain, conduit, appliance or equipment. The Unit Owners Association shall not be liable to any unit owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the common elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common elements or from any action taken by the Unit Owners Association to comply with any law, ordinance or with the order or directive of any governmental authority.

Section 3.17. Common or Interested Directors. Each director shall exercise such director's powers and duties in good faith and with a view to the interest of the Condominium. No contract or other transaction between the Unit Owners Association and any of its directors, or between the Association and any corporation, firm or association in which any of the directors of the Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because any such director is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because such director's vote is counted for such purpose, if any of the conditions specified in any of the following subsections exist:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes, and the Board by vote of a majority of disinterested directors authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to at least a majority of the unit owners, and the unit owners approve or

ratify the contract or transaction in good faith by a vote sufficient for the purpose;
or

(c) The contract or transaction is commercially reasonable to the Unit Owners Association at the time it is authorized, ratified, approved or executed.

Any common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote at the meeting to authorize any contract or transaction with like force and effect as if such director of the Unit Owners Association were not an officer or director of such other corporation, firm or association or not so interested.

Section 3.18. Covenants Committee.

(a) **Purpose.** The Board of Directors shall establish a Covenant Committee, consisting of three or five members appointed by the Board, each to serve for a term of one year, in order to assure that the Condominium shall always be maintained in a manner: (1) providing for visual harmony and soundness of repair; (2) avoiding activities deleterious to the esthetic or property values of the Condominium; (3) furthering the comfort of the unit owners, their guests and tenants; and (4) promoting the general welfare and safety of the Condominium community.

(b) **Powers.** The Covenants Committee shall regulate the external design, appearance, use and maintenance of the common elements. The Covenants Committee shall have the power to impose reasonable application fees as well as the costs of reports, analyses, or consultations required in connection with improvements or charges proposed by a unit owner. The Covenants Committee shall have the power to impose reasonable fines (pursuant to subsection 9.1 (g) hereof) upon, and issue a cease and desist request to, a unit owner, his guests, invitees, or lessees whose actions are inconsistent with the provisions of the Condominium Act, the condominium instruments, the Rules and Regulations or resolutions of the Board of Directors (upon petition of any unit owner or upon its own motion). The Covenants Committee shall from time to time, as required, provide interpretations of the condominium instruments, Rules and Regulations and resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a unit owner or the Board of Directors. Any action, ruling or decision of the Covenants Committee may be

appealed to the Board of Directors by any party deemed by the Board to have standing as an aggrieved party and the Board may modify or reverse any such action, ruling or decision.

(c) **Authority.** The Covenants Committee shall have such additional duties, power and authority as the Board of Directors may from time to time provide by resolution. The Board of Directors may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case-by-case basis. The Covenants Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Rules and Regulations or by resolution of the Board of Directors.

ARTICLE 4

Officers

Section 4.1. Designation. The principal Officers of the Unit Owners Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary and such other Officers as in its judgment may be necessary. All must be resident owners of the Condominium. (this section amended 5/3/2010)

Section 4.2. Election of Officers. The Officers of the Unit Owners Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 4.3. Removal of Officers. Upon the affirmative vote of a majority of all members of the Board of Directors any Officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4.4. President. The President shall be the chief executive officer of the Unit Owners Association; preside at all meetings of the Association and of the Board of Directors; have general and active management of the business of the Association subject to the control of the Board; see that all orders and resolutions of the Board are carried into effect; and appoint committees from among the unit

owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4.5. Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other director to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or by the President.

Section 4.6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners Association and of the Board of Directors; have charge of such books and papers as the Board may direct; give or cause to be given all notices required to be given by the Association; maintain a register setting forth the place to which all notices to unit owners and Mortgagees hereunder shall be delivered; and, in general, perform all the duties incident to the office of secretary. The Secretary shall file with the State of Maryland Department of Assessments and Taxation ("Department") on April 15 of each year the name and address of the resident agent and managing agent, if any, and pay the required filing fee. The Secretary may delegate the responsibility to file with the Department to a managing agent. (this section amended 5/3/2010)

Section 4.7. Treasurer. The Treasurer shall (together with the managing agent): be responsible for Unit Owners Association funds and securities; keep full and accurate financial records and books of account showing all receipts and disbursements; prepare all required financial date; deposit all monies and other valuable effects in the name of the Board of Directors, the Association or the managing agent, in such depositories as may from time to time be designated by the Board; and, in general, perform all the duties incident to the office of treasurer.

Section 4.8. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Unit Owners Association for expenditures or obligations and all checks drawn upon reserve accounts, shall be executed by any two persons designated by the Board of Directors. (this section amended 5/3/2010)

Section 4.9. Compensation of Officers. No Officer who is also a director shall receive any compensation from the Unit Owners Association for acting as such Officer.

ARTICLE 5

Operation of the Property

Section 5.1. Determination of Common Expenses and Assessments Against Unit Owners.

(a) **Fiscal Year.** The fiscal year of the Unit Owners Association shall be the calendar year unless otherwise determined by the Board of Directors.

(b) **Preparation and Approval of Budget.**

(1) At least forty-five days before the beginning of each fiscal year, at an open meeting held in accordance with section 11-109.2 of the Condominium Act, the Board of Directors shall adopt a budget for the Unit Owners Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the common elements and those parts of the units as to which it is the responsibility of the Association to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be common expenses by the Condominium Act, the condominium instruments or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the unit owners of all related services. The budget shall reflect the separate assessment of Limited Common Expenses.

(2) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. At least thirty days before the adoption of the budget as provided in Section 5.1 (b) (1) hereof, the Board of Directors shall send to each unit owner a copy of the proposed budget in a reasonably itemized form, containing at least those items required by section

11-109.2 of the Condominium Act, which sets forth the amount of the common expenses and any special assessment payable by each unit owner. The budget as adopted shall constitute the basis for determining each unit owner's assessment for the common expenses of the Condominium.

(c) **Assessment and Payment of Common Expenses.** Subject to the provisions of subsection 9.1 (a) hereof, the total amount of the estimated funds required from assessments for the operation of the Property set forth in the budget adopted by the Board of Directors shall be assessed against each unit owner in proportion to such unit owner's respective Common Element Interest, except for Limited Common Expenses which shall be assessed against each unit owner benefitted in proportion to the relative Common Element Interest of such units inter se, and shall be a lien against each unit owner's unit as provided in Section 9.2 of these Bylaws. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven months in such fiscal year, each unit owner shall be obligated to pay to the Board of Directors or the managing agent (as determined by the Board), one-twelfth of such assessment. Within ninety days after the end of each fiscal year, the Board of Directors shall supply to all unit owners, and to each Mortgagee requesting the same, an accounting of the common expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Board of Directors, be placed in reserve accounts, be placed in a special account to be expended solely for the general welfare of the unit owners, or be credited according to each unit owner's Common Element Interest to the next monthly installments due from unit owners under the current fiscal year's budget, until exhausted. Unless the Board of Directors directs otherwise, any net shortage shall be assessed promptly against the unit owners in accordance with their Common Element Interests and shall be payable either: (1) in full with payment of the next monthly assessment due; or (2) in not more than six equal monthly installments, as the Board of Directors may determine. If the Board of Directors wishes to incur a discretionary expenditure not included in the budget which would result in an increase of more than fifteen percent, the Board of Directors shall amend the budget at a special meeting of the Board of Directors in accordance with section 11-110 (d) of the Condominium Act.

(d) **Reserves.** The Board of Directors shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. The Board shall review the reserve budget annually as part of the budget review and adoption process. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except for normal maintenance expenses shown in the annual operating budget, all expenses for repair and replacement of physical assets maintained by the Association shall be charged first against such reserves. Unless otherwise determined by a vote of three-fourths of the directors, the amount held as reserves shall not substantially exceed the amount reasonably required to assure the Association's ability to replace components as they reach the end of their useful lives. If regular annual maintenance extends the useful life of components so that reserves are excessive, the reserves shall be adjusted by reallocation to other budget items or by distribution to the unit owners. If the reserves are inadequate for any reason, including non-payment of any unit owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the unit owners according to their respective Common Element Interests, and which may be payable in a lump sum or in installments as the Board may determine. The Board of Directors shall serve notice of any such further assessment on unit owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten days after the delivery of such notice of further assessment. All unit owners so notified shall be obligated to pay the adjusted monthly amount or, if such further assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien as of the effective date as set forth in subsection (c).

(e) **Initial Capital Payment.**

(i) Upon taking office, the first Board of Directors elected or designated pursuant to these Bylaws shall determine the budget, as defined in this Section, for the period commencing thirty days after such election and ending on the last day of the fiscal year in which such election occurs. Assessments shall be levied and become a lien against the unit owners during such period as provided in subsection (c).

(f) **Effect of Failure to Prepare or Adopt Budget.** The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year

shall not constitute a waiver or release in any manner of a unit owner's obligation to pay his allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each unit owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the monthly payment which is due more than ten days after such new annual or adjusted budget is adopted.

(g) **Accounts.** All sums collected by the Board of Directors with respect to assessments against the unit owners or from any other source may be commingled into a single fund or held for each unit owner in accordance with such unit owner's Common Element Interest.

Section 5.2. Payment of Common Expenses. Each unit owner shall pay the common expenses, including Limited Common Expenses, assessed by the Board of Directors pursuant to the provisions of Section 5.1 hereof. No unit owner may be exempted from liability for the assessment for common expenses by reason of waiver of the use or enjoyment of any of the common elements or by abandonment of the unit. No unit owner shall be liable for the payment of any part of the common expenses assessed against the unit subsequent to the date of recordation of a conveyance by such unit owner in fee of such unit. Prior to or at the time of any such conveyance, all liens, unpaid charges and assessments shall be paid in full and discharged. The purchaser of a unit shall be jointly and severally liable with the selling unit owner for all unpaid assessments against the latter for the proportionate share of the common expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling unit owner amounts paid by the purchaser therefor; provided, however, that any such purchaser shall be entitled to a statement setting forth the amount of the unpaid assessments against the selling unit owner within twenty business days following a written request therefor to the Board of Directors or managing agent and such purchaser shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth; and provided, further, that each Mortgagee who comes into possession of a condominium unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the condominium unit free of any claims for unpaid assessments or charges against such unit which accrue prior to the time such Mortgagee comes into possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all condominium units including the mortgaged condominium unit.

Section 5.3. Collection of Assessments. The Board of Directors, or the managing agent at the request of the Board, shall take prompt action to collect any assessments for common expenses due from any unit owner which remain unpaid for more than thirty days from the due date for payment thereof. Any assessment, or installment thereof, not paid within fifteen days after due shall accrue a late charge in the amount of ten dollars, or such other amount as may be established from time to time by the Board of Directors.

Section 5.4. Statement of Common Expenses. The Board of Directors shall promptly provide any unit owner, contract purchaser or Mortgagee so requesting the same in writing with a written statement of all unpaid assessments for common expenses due from such unit owner. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation.

Section 5.5 Maintenance, Repair, Replacement and other Common Expenses.

(a) By the Unit Owners Association - Subject to Section 6.1 (e) of the Bylaws, the Unit Owners Association shall be responsible for the maintenance, repair and replacement (unless, if in the opinion of the Board of Directors such expense was necessitated by the negligence, misuse or neglect of a unit owner) of all the common elements, (including the limited common elements) as defined herein or in the Declaration, whether located inside or outside of the units, the cost of which shall be charged to all unit owners as a common expense; provided, however, that the Board of Directors may enter into agreements with other organizations within the Rossmoor Community, providing for maintenance and use of portions of the common elements; and provided, further, that each unit owner shall perform normal maintenance on the limited common elements appurtenant to such unit owner's unit and any portion of the remaining common elements which the Board of Directors pursuant to the Rules and Regulations has given such unit owner permission to utilize, including without limitation the items enumerated in subsection (b). (this section amended 5/21/02)

(b) By the Unit Owner.

(1) Each unit owner shall keep the unit and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition. In addition, each unit owner shall be responsible for all

damage to any other units or to the common elements resulting from such unit owner's failure or negligence to make any of the repairs required by this Section. Each unit owner shall perform this responsibility in such manner as shall not unreasonably disturb or interfere with the other unit owners. Each unit owner shall promptly report to the Board of Directors or the managing agent any defect or need for repairs for which the Unit Owners Association is responsible.

(2) The unit owner of any unit to which a limited common element balcony is appurtenant shall perform the normal maintenance for such limited common element, including keeping it in a clean and sanitary condition, free and clear of snow, ice and any accumulation of water and shall also make all repairs thereto caused or permitted by such unit owner's negligence, misuse or neglect. All structural repair or replacement shall be made by the Unit Owners Association as a common expense, as provided in subsection (a).

(3) Any unit owner permitted by the Board of Directors to use a specific portion of the common elements for storage is responsible for the maintenance and care of such portion and shall use such portion in a safe and sanitary manner, in compliance with an restrictions, rules and regulations adopted by the Board of Directors.

(c) **Chart of Maintenance Responsibilities.** Notwithstanding the general provisions for maintenance set forth in subsections (a) and (b), specific maintenance responsibilities and the costs attributable thereto shall, to the extent set forth thereon, be determines pursuant to the Chart of Maintenance Responsibilities attached as Exhibit B hereto.

(d) **Manner of Repair and Replacement.** All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality, but may be done with contemporary building materials and equipment. The method of approving payment vouchers for all repairs and replacements shall be determined by the Board of Directors.

Section 5.6. Additions, Alterations or Improvements by the Board of Directors. Whenever in the judgment of the Board of Directors the common elements shall require additional, alterations or improvements costing in excess of one percent of the total annual assessment for common expenses for that fiscal year during any period of twelve consecutive months, the making of such additions, alterations or improvements requires a Majority Vote, and the Board of

Directors shall assess all unit owners benefitted for the cost thereof as a common expense (or Limited Common Expense). Any additions, alterations or improvements costing one percent of the total annual assessment for common expenses for that fiscal year or less during any period of twelve consecutive months may be made by the Board of Directors without approval of the unit owners and the cost thereof shall constitute a common expense or Limited Common Expense, depending on the nature of the additions, alterations or improvements. Notwithstanding the foregoing, if, in the opinion of not less than eighty percent of the members of the Board of Directors, such additions, alterations or improvements are exclusively or substantially exclusively for the benefit of the unit owners requesting the same, such requesting unit owners shall be assessed therefor in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportion as may be determined by the Board of Directors.

Section 5.7. Additions, Alterations or Improvements by the Unit Owners. No unit owner shall make any structural addition, alteration or improvement in or to the unit without the prior written consent of the Board of Directors or the Covenants Committee as appropriate. No unit owner shall paint or alter the exterior of the unit, including the doors and windows, nor shall any unit owner paint or alter the exterior of any building, without the prior written consent of the Board of Directors or the Covenants Committee as appropriate. The Board of Directors shall be obligated to answer any written request by a unit owner for approval of a proposed structural addition, alteration or improvement in such unit owner's unit within forty-five days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Directors or the Covenants Committee to the proposed structural addition, alteration or improvement. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement in or to any unit requires execution by the Unit Owners Association, and provided consent has been given by the Board of Directors, then the application shall be executed on behalf of the Association by an authorized Officer only, without however incurring any liability on the part of the Board of Directors, the Association or any of them to any contractor, subcontractor or material man on account of such addition, alteration or improvement, or to any person having claim for injury to person or damage to property arising therefrom. Subject to the approval of any Mortgagee of such affected units, the Board of Directors and any unit owner affected, any unit may be subdivided or may be altered so as to relocate the boundaries between such unit and any adjoining units. The Secretary shall record

any necessary amendment to the Declaration to effect such action as provided in section 11-107 (d) of the Condominium Act.

Section 5.8. Restrictions on Use of Units and Common Elements; Rules and Regulations.

(a) **Restrictions.** Each unit and the common elements shall be occupied and used as follows:

(1) Except for the areas of the Condominium designated for commercial and recreational use, the unit used as an office by the Unit Owners Association and except as provided in the Declaration, no unit shall be used for other than housing and the related common purposes for which the Property was designed. The Board of Directors may permit reasonable, temporary non-residential uses from time to time.

(2) Nothing shall be done or kept in any unit or in the common elements which will increase the rate of insurance for the Property or any part thereof applicable for residential or commercial uses without the prior written consent of the Board of Directors. No unit owner shall permit anything to be done or kept in the unit or in the common elements which will result in the cancellation of insurance on the Property or any part thereof or which would be in violation of any law, regulation or administrative ruling. No waste will be committed on the common elements.

(3) No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the unit owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property, and, if the latter, then the cost of such compliance shall be a common expense.

(4) No unit owner shall obstruct any of the common elements nor shall any unit owner place or cause or permit anything to be placed on or in any of the common elements (except those areas designated for such storage by the condominium instruments or the Board of Directors) without the approval of the Board. Nothing shall be altered or constructed in or removed from the

common elements except with the prior written consent of the Board of Directors or the Covenants Committee, as appropriate (subject, however, to the applicable provisions of the Fair Housing Amendments Act of 1988 regarding modifications by handicapped residents).

(5) The common elements shall be used only for the furnishing of the services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the units. The lobbies, vestibules, public halls and stairways shall be used for no purpose other than for normal transit. The garage areas, including limited common element parking spaces shall be used only for parking. The parking spaces may not be used for the storage of any objects, (other than vehicles); nor may the parking spaces be altered without the prior written consent of the Covenants Committee.

(6) No unit shall be used or occupied for transient or hotel purposes or in any event for an initial period of less than six months. No portion of any unit (other than the entire unit) shall be leased for any period. No unit owner shall lease a unit other than on a written form of lease: (i) requiring the lessee to comply with the condominium instruments and Rules and Regulations; (ii) providing that failure to comply constitutes a default under the lease, and (iii) providing that the Board of Directors has the power to terminate the lease or to bring summary proceedings to evict the tenant in the named of the lessor thereunder after forty-five days prior written notice to the unit owner, in the event of a default by the lessee in the performance of the lease. The Board of Directors may suggest or require a standard form lease for use by unit owners. Each unit owner of a condominium unit shall, promptly following the execution of any lease of a condominium unit, forward a conformed copy thereof to the Board of Directors. The foregoing provisions of this paragraph, except the restriction against use or occupancy for hotel or transient purposes, shall not apply to a Mortgagee in possession of a unit as a result of foreclosure, judicial sale or a proceeding in lieu of foreclosure.

(7) Trailers, campers, recreational vehicles, boats and other large vehicles may be parked on the Property only if expressly permitted by the Rules and Regulations and only in such parking areas, if any, as may be designated for such purpose by the Board of Directors. Golf carts shall be parked in designated golf cart parking spaces only. The garage areas, including the limited common element parking spaces, shall be used only for parking. Other than as provided above, nothing may be stored, erected, attached to or otherwise

placed on the common elements in the parking areas without the prior written consent of the Board of Directors or the Covenants Committee, as appropriate. No other vehicles may be parked in designated golf cart parking spaces. No junk or derelict vehicle or other vehicle on which current registration plates are not displayed shall be kept upon any of the common elements. Except in areas designated by the Board of Directors, vehicle repairs other than (i) emergency maintenance, (ii) ordinary light maintenance (excluding fluid changes and other work which might soil the common elements) and (iii) normal cleaning, are not permitted on the common elements.

(8) The maintenance, keeping, boarding and/or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, shall be and is prohibited within any unit or upon the common elements, except that the keeping of small, orderly domestic pets (e.g., dogs, cats or caged birds) not to exceed one per unit without the approval of the Board of Directors is permitted, subject to the Rules and Regulations adopted by the Board of Directors; provided, however, that such pets are not kept or maintained for commercial purposes or for breeding; and provided, further, that any such pet causing or creating a nuisance or unreasonable disturbance or noise may be permanently removed from the Property upon ten days written notice from the Board of Directors. Such pets shall not be permitted upon the common elements unless accompanied by an adult and unless carried or leashed. Any unit owner who keeps or maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Unit Owners Association, each unit owner free and harmless from any loss, claim or liability of any kind of character whatever arising by reason of keeping or maintaining such pet within the Condominium. All pets shall be registered with the Board of Directors and shall otherwise be registered and inoculated as required by law. The Board of Directors may establish reasonable fees for registration of pets not to exceed the additional costs incurred by the Unit Owners Association resulting from the presence of such pets.

(9) No signs of any character shall be erected, posted or displayed upon, in, from or about any unit or common element without the prior written approval of the Board of Directors. The foregoing provisions of this paragraph shall not apply to a Mortgagee in possession of a unit as a result of foreclosure, judicial sale or a proceeding in lieu of foreclosure.

(10) Sufficient carpeting or rugs shall be maintained on a minimum of eighty percent of the floor surfaces (except kitchens, closets and

bathrooms) in units located over other units to adequately reduce transmission of sound between units. Additional washers, dryers and other major appliances may not be installed in a unit or storage area without the prior written approval of the Covenants Committee.

(11) No unit shall be subjected to or used for any timesharing, cooperative, licensing or other arrangement that would entail weekly, monthly, or any other type of revolving or periodic occupancy by multiple unit owners, cooperators, licensees, or timesharing participants.

(12) Occupancy of a unit by a person or persons under fifty years of age shall be governed by rules established by the Leisure World Community Corporation.

(b) Changes to Rules and Regulations. Each unit and the common elements shall be occupied and used in compliance with the Rules and Regulations which may be promulgated and changed by the Board of Directors. Copies of the Rules and Resolutions shall be furnished by the Board of Directors to each unit owner. Changes to the Rules and Regulations shall be adopted in accordance with section 11-111 of the Condominium Act.

Section 5.9. Right of Access. By acceptance of the deed of conveyance, each unit owner thereby grants a right of access to the unit, as provided by section 11-125 (e) of the Condominium Act and subsection 4.2 (a) of the Declaration, to the Board of Directors or the managing agent, or any other person authorized by the Board or the managing agent, or any group of the foregoing, for the purpose of enabling the exercise and discharge of their respective powers and responsibilities, including without limitation making inspections, correcting any condition originating in the unit or in a common element to which access is obtained through the unit and threatening another unit or the common elements, performing installations, alterations or repairs to the mechanical or electrical systems of the common elements in the unit or elsewhere in the Property or to correct any condition which violates any Mortgage; provided, however, that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the unit owner. In case of an emergency, such right of entry shall be immediate, whether or not the unit owner is present.

Section 5.10. Utility Charger; User Fees. The cost of utilities serving the Condominium not individually metered or sub-metered to specific units shall be

common expenses allocated pursuant to Section 5.1 hereof. The cost of utilities serving one or more units and individually metered or sub-metered shall be a Limited Common Expense payable by the units served based on actual consumption of such services in accordance with section 11-110 (b) (2) (i) of the Condominium Act. The Board of Directors may impose reasonable user fees, whether or not designated as Limited Common Expenses, for the use of Reserved Common Elements or personal property of the Unit Owners Association or services. For the purposes of this section, cable television provided to condominium units under a master service agreement with a cable television provider shall be deemed a service and, as such, shall be assessed against condominium units as a user fee on an equal, per unit basis as determined by the Board of Directors from time to time. (this section amended 8/31/01)

Section 5.11. Parking Spaces. Each of the automobile and golf cart parking spaces located in the garage of the buildings and so designated on the Plats and Plans shall be subject to designation as limited common elements appurtenant to certain designated units pursuant to the reservation set forth in Article 3 of the Declaration. All other parking spaces shall be used by the unit owners for self-service parking purposes on a "first come, first served" basis, except as the Board of Directors may otherwise determine; provided, however, that no unit owner shall park on the common element automobile parking spaces more than one vehicle (owned or leased by such unit owner, a member of such unit owner's family, an employee or a tenant leasing the unit) (excluding limited common element parking spaces) without the prior written consent of the Board of Directors. The cost of maintenance and repair of all automobile parking areas shall be a common expense; provided, however, that to the extent permitted by law, the Board of Directors may impose a Limited Common Expense charge, in an amount determined by the Board of Directors, payable annually, upon units to which a limited common element parking space is appurtenant. The Board of Directors shall also impose a Limited Common Expense charge in an amount determined by the Board of Directors, payable annually, upon units to which a limited common element golf cart space is appurtenant. Such charges shall be adjusted in proportion to any change in the total budget for common expenses from year to year.

Section 5.12. Storage; Disclaimer of Bailee Liability. The storage cubicles are common elements and may be assigned to units as Reserved Common Elements by appropriate resolution of the Board of Directors (unless such cubicles have been assigned as limited common elements). The

Board of Directors, the Unit Owners Association, any unit owner shall not be considered a bailee, however, of any personal property stored on the common elements (including property located in storage cubicles and vehicles parked on the common elements), whether or not exclusive possession of the particular area is given to a unit owner for storage or parking purposes, and shall not be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence, except to the extent covered by insurance in excess of any applicable deductible.

ARTICLE 6

Insurance

Section 6.1. Authority of Purchase; Notice. (a) Except as otherwise provided in Section 6.5 hereof, all insurance policies relating to the Property shall be purchased by the Board of Directors. The Board of Directors and the managing agent shall not be liable for failure to obtain any coverages required by this Article 6 or for any loss or damage resulting from such failure: (i) if such failure is due to the unavailability of such coverages from reputable insurance companies; (ii) if such coverages are so available only at demonstrably unreasonable cost; or (iii) if the Association's insurance professionals advise that the coverages required by paragraph (2) of Subsection 6.2 (b) are not necessary. The Board of Directors shall promptly furnish to each unit owner written notice of the procurement of, subsequent changes in, or termination of, insurance coverages obtained on behalf of the Unit Owners Association, in compliance with section 11-114 of the Condominium Act.

(b) Each such policy shall provide that:

(1) The insurer waives any right to claim by way of subrogation against the Unit Owners Association, the Board of Directors, the managing agent or the unit owners, and their respective agents, employees, tenants, guests and, in the case of the unit owners, the members of their households;

(2) Such policy shall not be canceled, invalidated or suspended due to the conduct of any unit owner (including such unit owner's

invitees, tenants, agents and employees) or of any member, officer or employee of the Board of Directors of the managing agent without a prior demand in writing that the Board or the managing agent cure the defect and neither shall have so cured such defect within sixty days after such demand; and

(3) Such policy may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least sixty days prior written notice to the Board of Directors, the managing agent and all Mortgagees.

(d) All policies of insurance shall be written by reputable companies licensed to do business in the State of Maryland. Physical damage policies shall be in form and substance and with carriers acceptable to a majority of the Mortgagees.

Section 6.1 (e) The deductible on any insurance policy purchased by the Board of Directors shall be a common expense, provided however, that for any damage or destruction of any portion of the condominium that originates from a unit, the Association shall assess the deductible against the unit owner of such unit which assessment shall be collectible in the same manner of assessment for common expenses. The unit owners responsibility for the deductible shall not exceed the amount cited in the Maryland Condominium Act, the balance of which shall be a common expense. (this section amended 5/21/02)

Section 6.2. Physical Damage Insurance. (a) The Board of Directors shall obtain and maintain a blanket, "all-risk" form policy of fire insurance with extended coverage, vandalism, malicious mischief, sprinkler leakage (if applicable), debris removal and water damage endorsements, insuring the entire Property (including all of the units and the bathroom and kitchen fixtures initially installed therein by the Declarant and the replacements thereof up to the value of those initially installed by the Declarant but not including furniture, furnishings or other personal property supplied or installed by unit owners), together with all air-conditioning and heating equipment and other service machinery contained therein and covering the interests of the Unit Owners Association, the Board of Directors and all unit owners and their Mortgagees, as their interests may appear, (subject, however, to the loss payment and adjustment provisions in favor of the insurance trustee contained in Sections 6.6 and 6.7 hereof), in an amount equal to one hundred percent of the then current replacement cost of the Property (exclusive of the land, excavations, foundations and other items normally excluded from such

coverage), without deduction for depreciation (such amount to be redetermined annually by the Board with the assistance of the insurance company affording such coverage). The Board of Directors shall also obtain and maintain such coverage on all real and personal property owned by the Unit Owners Association.

(b) Such policy shall also provide:

(1) A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to these Bylaws not to do so;

(2) The following endorsements (or equivalent): (i) "no control" (to the effect that coverage shall not be prejudiced by any act or neglect of any occupant or unit owner or their agents when such act or neglect is not within the control of the insured, or the unit owners collectively; nor by any failure of the insured, or the unit owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or the unit owners collectively, have no control); (ii) "cost of demolition"; (iii) "contingent liability from operation of building laws or codes"; (iv) "increased cost of construction"; (v) "condominium replacement cost"; and (vi) "agreed amount" or elimination of co-insurance clause; and

(3) That any "no other insurance" clause expressly exclude individual unit owners' policies from its operation so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual unit owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual unit owners or their Mortgagees, unless otherwise required by law.

(c) A duplicate original of the policy of physical damage insurance, all renewals thereof, and any sub-policies or certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer to any Mortgagee requesting the same, at least thirty days prior to expiration of the then current policy. Prior to obtaining any policy of physical damage insurance or any renewal thereof the Board of Directors shall obtain an appraisal from an insurance company, or such other source as the Board may determine, of the then current replacement cost of the Property (exclusive of the

Land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this Section. All Mortgagees shall be notified promptly of any event giving rise to a claim under such policy arising from damage to the common elements in excess of one percent of the then current replacement cost of the Property. The Mortgagee of a unit shall be notified promptly of any event giving rise to a claim under such policy arising from damage to such unit.

Section 6.3. Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage) and property damage liability insurance in such limits as the Board may from time to time determine, insuring each director, the managing agent, each unit owner and the employees of the Unit Owners Association against any liability to the public or to the unit owners (and their invitees, tenants, agents and employees) arising out of, or incident to the ownership or use of the common elements. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to an action against another named insured; (ii) hired and non-owned vehicle coverage; (iii) host liquor liability coverage with respect to events sponsored by the Unit Owners Association; (iv) deletion of the normal products exclusion with respect to events sponsored by the Unit Owners Association; and (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability coverage to a unit owner because of negligent acts of the Unit Owners Association or of another unit owner. The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than one million dollars covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than three million dollars.

Section 6.4. Other Insurance. The Board of Directors shall obtain and maintain:

(a) adequate fidelity coverage to protect against dishonest acts on the part of Officers, directors, trustees and employees of the Unit Owners Association and all others who handle, or are responsible for handling, funds of the Association, including the managing agent. Such fidelity bonds shall: (i) name the Unit Owners Association as an obligee; (ii) be written in an amount not less

than one-half the total annual condominium assessments for the year or the amount required by the Mortgagees, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, whichever is greatest; and (iii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression;

(b) if required by any governmental or quasi-governmental agency, including without limitation the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, flood insurance in accordance with the then applicable regulations of such agency;

(c) workers' compensation insurance if and to the extent necessary to meet the requirements of law (including a voluntary employees endorsement and an "all states" endorsement);

(d) if applicable, pressure, mechanical and electrical equipment including air-conditioning equipment coverage on a comprehensive form in an amount not less than five hundred thousand dollars per accident per location;

(e) directors and officers liability insurance in an amount not less than one million dollars; and

(f) such other insurance as the Board of Directors may determine or as may be requested from time to time by a Majority Vote.

Section 6.5. Separate Insurance. Each unit owner shall have the right to obtain insurance for such unit owner's benefit, at such unit owner's expense, covering the unit and such unit owner's personal property and personal liability, as well as any improvements made to the unit by such unit owner (under coverage normally called "improvements and betterments coverage"); provided, however, that no unit owner shall be entitled to exercise this right to acquire or maintain such insurance coverage so as to decrease the amount which the Board of Directors, on behalf of all unit owners, may realize under any insurance policy maintained by the Board of to cause any insurance coverage maintained by the Board to be brought into contribution with insurance coverage obtained by a unit owner. No unit owner shall obtain separate insurance policies on the Condominium except as provided in this Section.

Section 6.6. Insurance Trustee. (a) All physical damage insurance policies purchased by the Board of Directors shall be for the benefit of the Unit Owners Association, the unit owners, their Mortgagees as their interests may appear, and shall provide that all proceeds of such policies shall be paid in trust to the Board as "insurance trustee" to be applied pursuant to the terms of Article 7.

(b) The sole duty of the insurance trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes elsewhere stated in these Bylaws, for the benefit of the insureds and their beneficiaries thereunder.

ARTICLE 7

Repair and Reconstruction After Fire or Other Casualty

Section 7.1. When Repair and Reconstruction are Required. Except as otherwise provided by law or in Section 7.4, in the event of damage to or destruction of all or any part of any building as a result of fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration thereof (including any damaged units, and the floor coverings, kitchen or bathroom fixtures and appliances initially installed therein by the Declarant, and replacements thereof installed by the Declarant, but not including any furniture, furnishings, fixtures, equipment or other personal property supplied or installed by the unit owners in the units). Notwithstanding the foregoing, each unit owner shall have the right to supervise the redecorating of the unit.

Section 7.2. Procedure for Reconstruction and Repair.

(a) **Cost Estimates.** Immediately after a fire or other casualty causing damage to any portion of the building, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring such portion (including any damaged units and any floor coverings and kitchen and bathroom fixtures and appliances initially installed by Declarant, and the replacements thereof installed by the Declarant, but not including any other furniture, furnishings, fixtures or equipment installed by the unit owner in the unit) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the insurance trustee determines to be necessary.

(b) **Assessments.** If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacement funds and/or shall be deemed a common expense and a special assessment therefor shall be levied.

(c) **Plans and Specifications.** Any such reconstruction or repair shall be substantially in accordance with the original construction of the Property, subject to any modifications required by changes in applicable governmental regulations, and using contemporary building materials and technology to the extent feasible.

Section 7.3. Disbursements of Construction Funds.

(a) **Construction Fund and Disbursement.** The proceeds of insurance collected on account of casualty, and the sums received by the insurance trustee from collections of assessments against unit owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the following manner:

(1) If the estimated cost of reconstruction and repair is less than five percent of the total annual assessment for common expenses for that fiscal year, then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors; provided, however, that upon request of twenty percent of the Mortgagees, such fund shall be disbursed pursuant to paragraph (2).

(2) If the estimated cost of reconstruction and repair is five percent of the total annual assessment for common expenses for that fiscal year or more, then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in Maryland and employed by the insurance trustee to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, sub-contractors, material men, the architect and other persons who have rendered services or furnished materials in connection with the work stating that: (i) the sums requested by them in payment are justly due and owing and that such sums do not exceed the value of the services and materials furnished; (ii) there is no

other outstanding indebtedness known to such architect for the services and materials described; and (iii) the cost as estimated by such architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the sum so requested.

(b) **Surplus.** The first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds and, if there is a balance in the construction fund after the payment of all of the costs of the reconstruction and repair for which the fund is established, such balance shall be divided among all unit owners in proportion of their Common Element Interests and shall be distributed in accordance with the priority of interests at law or in equity in each unit.

(c) **Common Elements.** When the damage is to both common elements and units, the insurance proceeds shall be applied first to the cost of repairing those portions of the common elements which enclose and service the units, then to the cost of repairing the other common elements and thereafter to the cost of repairing the units.

(d) **Certificate.** The insurance trustee shall be entitled to rely upon a certificate executed by the President or Vice President, and the Secretary, certifying: (i) whether the damaged Property is required to be reconstructed and repaired; (ii) the name of the payee and the amount to be paid with respect to disbursement from any construction fund whether surplus funds to be distributed are less than the assessments paid by the unit owners; and (iii) all other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the insurance trustee promptly after request.

Section 7.4. When Reconstruction Is Not Required. Unless the Condominium is terminated, if repair or replacement would be illegal or if eighty percent of the unit owners, including every unit owner whose unit or appurtenant limited common element will not be rebuilt, vote not to rebuild, the Board of Directors shall use the insurance proceeds to remove all remains of the damaged improvements and restore the site to an acceptable condition compatible with the remainder of the Condominium, distribute the insurance proceeds attributable to the damaged units and limited common elements to the unit owners whose units or appurtenant limited common elements are not to be rebuilt and distribute the balance of any insurance proceeds received on account of such damage shall be distributed among all unit owners in proportion to their respective Common

Element Interests, all in accordance with section 11-114 of the Condominium Act. If the Condominium is terminated pursuant to section 11-123 of the Condominium Act, the net assets of the Condominium together with the net proceeds of insurance policies, if any, shall be divided by the insurance trustee among all unit owners in proportion to their respective Common Element Interests, after first paying out of the share of each unit owner, to the extent sufficient therefor, the amount of any unpaid liens on the unit in the order of priority of such liens.

ARTICLE 8

Mortgages

Section 8.1. Notice to Board of Directors. A unit owner who mortgages the unit shall notify the Board of Directors of the name and address of the Mortgagee and, upon request, shall file a conformed copy of the note and Mortgage with the Board.

Section 8.2. Notice of Default, Casualty or Condemnation. The Board of Directors when giving notice to any unit owner of a default in paying an assessment for common expenses (which remains uncured for sixty days) or any other default, shall simultaneously send a copy of such notice to the Mortgagee of such unit. Each Mortgagee shall also be promptly notified of any casualty when required by Section 6.2 (c) hereof, of all actions taken under Article 7 and of any taking in condemnation or by eminent domain pursuant to section 11-112 of the Condominium Act and actions of the Unit Owners Association with respect thereto.

Section 8.3. Notice of Amendment of Condominium Instruments. The Board of Directors shall give notice to all Mortgagees at least seven days prior to the date on which the unit owners, in accordance with the provisions of these Bylaws, materially amend the condominium instruments.

Section 8.4. Notice of Change in Managing Agent. The Board of Directors shall give notice to all Mortgagees requesting such notice at least thirty days prior to changing the managing agent.

Section 8.5. Other Rights of Mortgagees. All Mortgagees or their representatives shall have the right to attend and to speak at meetings of the Unit Owners Association. All such Mortgagees shall have the right to examine the condominium instruments, Rules and Regulations and books and records of the Condominium, and to require the submission of annual financial reports and other budgetary information.

ARTICLE 9

Compliance and Default

Section 9.1. Relief. Each unit owner shall be governed by, and shall comply with, all of the terms of the Condominium Instruments and the Condominium Act as any of the same may be amended from time to time. In enforcing the terms of the Condominium Instruments and the Condominium Act, the Unit Owners Association need not follow the procedures set forth in section 11-113 of the Condominium Act. In addition to the remedies provided in of the Condominium Act, a default by a unit owner shall entitle the Unit Owners Association, acting through its Board of Directors or through the managing agent, to the following relief.

(a) **Additional Liability.** Each unit owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by such unit owner's act, neglect or carelessness or the act, neglect or carelessness of any member of such unit owner's family or such unit owner's employees, tenants, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

(b) **Costs and Attorney's Fees.** In any proceedings arising out of any alleged default by a unit owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the court. Any costs, including without limitation legal fees, incurred as a result of a failure to comply with the Condominium Act, the

condominium instruments and the Rules and Regulations by any unit owner (or any member of such unit owner's household or such unit owner's tenants, agents or employees) may be assessed against such unit owner's unit.

(c) **No Waiver of Rights.** The failure of the Unit Owners Association, the Board of Directors or of a unit owner to enforce any right, provision, covenant or condition which may be granted by the condominium instruments or the Condominium Act shall not constitute a waiver of the right of the Association, the Board or the unit owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Unit Owners Association, the Board of Directors or any unit owner pursuant to any term, provision, covenant or condition of the condominium instruments or the Condominium Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the condominium instruments of the Condominium Act or at law or in equity.

(d) **Interest.** In the event of a default by any unit owner in paying any sum assessed against the condominium unit other than for common expenses which continues for a period in excess of fifteen days, interest at a rate not to exceed the lower of the maximum permissible interest rate which may be charged by a Mortgagee under a Mortgage at such time or eighteen percent per annum may be imposed in the discretion of the Board of Directors on the principal amount unpaid from the date due until paid.

(e) **Abating and Enjoining Violations by Unit Owners.** The violation of any of the Rules and Regulations adopted by the Board of Directors, the breach of any provision of the condominium instruments or the Condominium Act shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (i) to enter the unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; (ii) to use self-help to remove or cure any violation of the condominium instruments or the Rules and Regulations on the common elements (including without limitation the towing of vehicles) or in any unit; or (iii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach;

provided, however, that before any construction may be altered or demolished (except in emergencies) judicial proceedings shall be instituted.

(f) Legal Proceedings. Failure to comply with any of the terms of the condominium instruments and the Rules and Regulations shall be grounds for relief, including without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Unit Owners Association, the Board of Directors, the managing agent or, if appropriate, by any aggrieved unit owner and shall not constitute an election of remedies.

(g) Fines. Pursuant to section 11-109 of the Condominium Act, the Board of Directors and the Covenants Committee may levy reasonable fines against unit owners for violations of the Rules and Regulations, the Condominium Instruments or the Condominium Act. No fine may be levied for more than one percent of such unit owner's annual assessment for any one violation; but each day a violation continues, after notice is given to the unit owner, is a separate violation. If a unit owner requests in writing a hearing before the fine is imposed, the imposition of the fine shall be suspended until the hearing is held. As provided above, the Unit Owners Association need not follow the procedures set forth in section 11-113 of the Condominium Act. Fines are special assessments and shall be collectible as such.

(h) Other Remedies. The Board of Directors may suspend or revoke a unit owner's recreational or other privileges for a reasonable period not to exceed the duration of the default or violation if payment of the assessment on the unit is delinquent more than thirty days or for any other violation of the condominium instruments or the Rules and Regulations.

Section 9.2. Lien for Assessments.

(a) Lien. The total annual assessment of each unit owner for common expenses or any special assessment, or any other sum duly levied (including without limitation fines, interest, late charges, etc.), made pursuant to these Bylaws, is hereby declared to be a lien levied against the condominium unit of such unit owner as provided in section 11-110 of the Condominium Act and the

Maryland Contract Lien Act, which lien shall, with respect to annual assessments, be effective on the first day of each fiscal year of the Condominium and, as to special assessments and other sums duly levied, on the first day of the next month which begins more than seven days after delivery to the unit owner of notice of such special assessment or levy. The Board of Directors or the managing agent may file or record such other or further notice of any such lien, or such other or further document, as may be required to confirm the establishment and priority of such lien.

(b) Acceleration. In any case where an assessment against a unit owner is payable in installments, upon a default by such unit owner in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Directors, and the entire balance of the annual assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting unit owner and such unit owner's Mortgagee by the Board of Directors or the managing agent, in accordance with the Condominium Act.

(c) Enforcement. The lien for assessments may be enforced and foreclosed in any manner permitted by the laws of the State of Maryland, pursuant to section 11-110 of the Condominium Act and the Maryland Contract Lien Act or by action in the name of the Board of Directors, or the managing agent, acting on behalf of the Unit Owners Association. During the pendency of such proceeding the unit owner shall be required to pay a reasonable rental for the unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the laws of the State of Maryland.

(d) Remedies Cumulative. A suit to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving the lien securing the same, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment.

Section 9.3. Supplemental Enforcement of the Lien. In addition to the proceedings at law or in equity for the enforcement of the lien established by the condominium instruments, the Condominium Act or the Contract Lien Act, all of the unit owners may be required by the Board of Directors to execute bonds conditioned upon the faithful performance and payment of the installments of the lien established thereby and may likewise be required to secure the payment of

such obligations by recording a declaration of trust in the land records where the condominium instruments are recorded granting unto one or more trustees appropriate powers to the end that, upon default in the performance of such bond such declaration of trust may be foreclosed by such trustees acting at the direction of the Board of Directors upon reasonable notice to the unit owner, and after a reasonable opportunity to be heard. If any such bonds have been executed and such declaration of trust is recorded, then any subsequent purchaser of a unit shall take title subject thereto and shall assume the obligations provided for therein.

Section 9.4. Subordination and Mortgage Protection. Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these Bylaws upon any unit (and any penalties, interest on assessments, late charges or the like) shall be subordinate to, and shall in no way affect the rights of the holder of a Mortgage made in good faith for value received; provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such unit pursuant to foreclosure, or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser of the unit at such sale from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment, which lien shall have the same effect and be enforced in the same manner as provided herein.

ARTICLE 10

Amendments to Bylaws

Section 10.1. Amendments. These Bylaws may not be modified or amended except as provided in section 11-104 (e) of the Condominium Act, as amended, from time to time. All amendments to the Bylaws shall be prepared and recorded by the Secretary.

ARTICLE 11

Miscellaneous

Section 11.1 Notices. Except as described in Section 2.5, and 3.4 (b), all notices, demands, bills, statement or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or

sent by United States mail, postage prepaid, or if notification is of a default of lien, sent by registered or certified United States mail return receipt requested, postage prepaid (i) if to a unit owner, at the address which the unit owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the unit of such unit owner, or (ii) if to the Unit Owners Association, the Board of Directors or to the managing agent, at the principal offices of the managing agent or at such other address as shall be designated by notice in writing to the unit owners pursuant to this section. If a unit is owned by more than one person, each such person who is designated an address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section 11.2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 11.3. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Section 11.4. Construction. These condominium instruments are intended to comply with all of the applicable provisions of the Condominium Act and shall be so interpreted and applied. The failure to comply strictly with the time periods required by the condominium instruments, unless also required by the Condominium Act, shall not invalidate any action of the Board of Directors or the Unit Owners Association in the absence of a written objection by a unit owner or a Mortgagee within ten day after the failure to comply.

FAIRWAYS SOUTH AT LEISURE WORLD
Maintenance Responsibilities

I ITEMS	II GENERAL COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY	III LIMITED COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY	IV UNIT COMPONENTS UNDER ASSOCIATION RESPONSIBILITY	V CERTAIN OTHER COMPONENTS UNDER UNIT OWNERS WITHOUT RESPECT TO OWNERSHIP OF THE COMPONENT
Plumbing & related systems & components thereof,	All maintenance, repair & replacement of portions of plumbing serving more than one unit. Water damage to common elements or units other than the one which is the primary source of the problem through negligence of the occupants of such units.	If any, same as in Column II.	Only to the extent that a malfunction originates outside the unit in which the malfunction occurs or may occur.	All portions within a unit including fixtures & appliances attached thereto. Water damage to a unit, when the primary source of such problem is through the negligence of the occupants of that unit.
Electrical & related systems & components thereof excluding appliances, fixtures & lights serving only one unit.	All, in all regards.	All, in all regards.	-	All, in all regards, for items serving only one unit.
Heating, ventilating & cooling systems & components thereof.	All, in all regards, serving more than one unit.	If any, same as in Column II.	All, in all regards, at the unit owner's expense.	-
Parking Spaces.	All surface parking spaces in all regards.	All underground parking spaces in all regards.	-	-
Storage Areas (if any).	All, in all regards except routine cleaning.	-	-	Routine cleaning.
Refuse collection system.	All, in all regards.	-	-	-

I ITEMS	II GENERAL COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY	III LIMITED COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY	IV UNIT COMPONENTS UNDER ASSOCIATION RESPONSIBILITY	V CERTAIN OTHER COMPONENTS UNDER UNIT OWNERS RESPONSIBILITY WITHOUT RESPECT TO OWNERSHIP OF THE COMPONENT
Grounds, including all paved areas and other improvements thereon lying outside the main walls of the building and all underground utility systems.	All.	-	-	-
Building, exterior roof, exterior vertical walls, foundations.	All, in all regards.	-	-	-
Windows	All which do not serve a unit, in all regards.	All, in all regards except routine cleaning.	-	Routine cleaning.
Doors, main entry to units.	-	-	All surfaces exposed to corridor including door panel, buck, trim & sill.	Interior of door panel interior trim. Hardware set including lock and door chime assembly and hinges/closure.
Balcony and terrace doors.	-	In all regards except routine cleaning, latch mechanism and weather-stripping.	-	Routine cleaning, latch mechanism and weather stripping.
Balconies, terraces and railings.	-	In all regards, except routine cleaning.	-	Routine cleaning.
Balcony enclosures (if any).	-	-	-	All, in all regards.
Screens (balcony and terrace doors and windows).	All, in which do not serve a Unit, in all regards.	-	-	All which serve the unit in all respects. Replacements to be of same color, grade and style.

NOTES

MAINTENANCE RESPONSIBILITIES

This chart and the titles and headings used herein are not intended to describe or encompass all maintenance functions nor to delineate all respective responsibilities between the unit owners, severally, and the Association. The placement of responsibility under any specific column does not always accurately reflect the precise character and nature of ownership. The appropriate sections of the Declaration determine ownership. In many cases maintenance responsibility is allocated to the Unit Owners Association to ensure central maintenance responsibility, uniformity and quality of repair, and to protect community health and safety. Where such maintenance is required due to the negligent or wrongful act or omission of a unit owner (or such unit owner's family, tenants, employees, agents, visitors, guests or pets), the Association will perform the necessary maintenance at the sole expense of the unit owner.

Column I: Items: Items appearing in this column are illustrative and not exhaustive.

Column II: General Common Elements Under Association Responsibility. Responsibility for determining and providing for the maintenance, repair and replacement requirements of the general common elements and determining the costs thereof shall be primarily the responsibility of the Board of Directors and such designees to which it may delegate certain such responsibilities.

Column III: Limited Common Elements Under Association Responsibility. Responsibility for determining the maintenance, repair and replacement requirements of the limited common elements shall be a shared responsibility between the Board of Directors and the unit owner of a unit to which a specific limited common element is exclusively appurtenant; provided, however, that the Board shall have the final responsibility for determining the need for and accomplishing such maintenance, repair and replacement activities.

Column IV: Unit Components Under Association Responsibility. The items in this column are legally and by definition a part of a unit but are attached or directly connected to or associated with the general common elements and common expense items in such a way that a clear distinction between unit owner and Association responsibility cannot be made. Moreover, such items frequently involve matters of concern relative to the general health, safety and welfare of all of the occupants of the building. Thus, certain costs which appear to benefit a single unit owner but which affect other unit owners are declared a common expense, especially when the correct functioning of an activity or element is integral to or supportive of the legally defined common elements and common expenses. Heating, cooling and ventilating systems and components thereof are an exception due to the split system being used; the only practical method is to provide for central maintenance responsibility at the individual unit owner's expense.

Column V: Certain Other Components Under Unit Owner's Responsibility Without Respect to Ownership of the Component. The items in this column are not intended to be exclusive and all-encompassing and do not affect responsibilities expressly provided for otherwise.

THE FAIRWAYS SOUTH AT LEISURE WORLD
 CONDOMINIUM UNIT OWNERS ASSOCIATION

MAY 3, 2010

39485

MASTER TALLY SHEET

299

BYLAW AMENDMENT

	A	B	E	F	G	GG	H	SUB TOTAL
APPROVE	2.847	4.154	7.661	9.276	5.338	2.669	4.768	36.713
DISAPPROVE								

Barbara Cronin
 Barbara Cronin, Inspector

Beatrice Seidner
 Beatrice Seidner, Inspector

Beverly Chaconas
 Beverly Chaconas, Inspector

MASTER TALLY SHEET

BYLAW AMENDMENT

	I	J	M	O	P	R	S	TOTAL
APPROVE	0	4.044	4.958	3.491	6.407	5.154	6.522	67.79%
DISAPPROVE								

39485

300