

"EXHIBIT B"

BY-LAWS

MARYLAND MUTUAL NO. THIRTEEN, INC.

ARTICLE I

Name and Location

Section 1. Name and Location. The name of this Corporation is Maryland Mutual No. Thirteen, Inc. Its principal office is located at 3700 Rossmoor Boulevard, Silver Spring, Montgomery County, Maryland.

ARTICLE II

Definitions

Section 1. Master Deed. "Master Deed" as used herein means that certain Master Deed made the 15th day of May, 1974, by Rossmoor Construction Corporation, a Maryland Corporation, pursuant to Article 21, Section 11-101 through and including Section 11-126, Annotated Code of Maryland (1972), by which certain described premises (including land) are submitted to a condominium property regime and which Master Deed is recorded among the Land Records for Montgomery County, Maryland, immediately prior hereto and to which these By-Laws are appended as an Exhibit.

Section 2. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended all other terms used herein shall have the same meaning as they are defined to have in the Master Deed or in Article 21, Section 11-101, Annotated Code of Maryland (1972).

ARTICLE III

Membership

Section 1. Members. Every person, group of persons, corporation, trust or other legal entity, or any combination thereof, which owns a condominium unit within the condominium project shall be a member of the Corporation, provided, however, that any person, group of persons corporation, trust or other legal entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation shall not be a member by reason only of such interest.

Section 2. Membership Certificates. Each membership certificate shall state that the Corporation is organized under the laws of the State of Maryland, the name of the registered holder of the membership represented thereby, and shall be in such form as shall be approved by the Board of Directors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued shall be issued therefrom upon certification as to full payment. Every membership certificate shall be signed by the President and Vice President and the Secretary or Assistant Secretary and shall be sealed with the corporate seal.

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Section 3. Lost Certificate. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Corporation and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the membership certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the Corporation a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Corporation.

Section 4. Lien. The Corporation shall have a lien on the outstanding regular memberships in order to secure payment of any sums which may become due from the holders thereof to the Corporation for any reason whatsoever.

Section 5. Liquidation Rights. In the event of any voluntary or involuntary dissolution of the Corporation, each member of the Corporation shall be entitled to receive out of the assets of the Corporation available for distribution to the members an amount equal to that proportion of such assets which the value of his condominium unit bears to the value of the entire project, as set forth on "EXHIBIT C" to the Master Deed, all as more fully provided in Article 21, Section 11-113, Annotated Code of Maryland (1972).

ARTICLE IV

Meeting of Members

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place

of business of the Corporation or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the members of the Corporation shall be held within one hundred twenty [120] days after sixty percent [60%] of the condominium units in the project have been sold and title to the same has been conveyed, or on July 30, 1975, whichever shall first occur. Thereafter, the annual meetings of the members of the Corporation shall be held on the 4th Tuesday of April each succeeding year. At such meeting there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Section 5 of Article V of these By-Laws. The members may also transact such other business of the Corporation as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by members representing at least twenty percent [20%] of the total value of the project having been presented to the Secretary; provided, however, that no special meeting shall be called prior to the first annual meeting of members as hereinabove provided for. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths of the members present, either in person or by proxy.

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Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his address as it appears on the membership book of the Corporation, or if no such address appears, at his last known place of address, at least ten [10] but not more than ninety [90] days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the member at his dwelling unit or last known address. Notice by either such method shall be considered as notice served.

Section 5. Quorum. The presence, either in person or by proxy, of members representing at least fifty-one [51%] of the total value of the project shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of members. If the number of members at a meeting drops below the quorum and the question of a lack of a quorum is raised, no business may thereafter be transacted.

Section 6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight [48] hours from the time the original meeting was called.

Section 7. Voting. The percentages established in "EXHIBIT C" to the Master Deed shall be applicable to voting rights. At every meeting of the members, each of the members shall have the right to cast his vote based upon the percentage established in "EXHIBIT C" of the Master Deed for each membership which he owns on each question. The vote of the members representing fifty-one [51%] of the total value of the condominium project, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of The Horizontal Property Act or of the Articles of Incorporation, or of the Master Deed or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. The vote for any membership which is owned by more than one person may be exercised by any of them present at any meeting unless any objection or protest by any other owner of such membership is noted at such meeting. In the event all of the co-owners of any membership who are present at any meeting of the members are unable to agree on the manner in which the vote for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding the question. In the event any condominium unit is owned by a corporation, then the vote for the membership appurtenant to such condominium shall be cast by a person designated in a certificate signed by the President or any Vice President and attested by the Secretary or an Assistant Secretary of such corporation and filed with the Secretary of the Corporation prior to the meeting. No member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Corporation to be more than thirty [30] days delinquent in any payment due the Corporation.

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Section 8. Proxies. A member may appoint any other member as his proxy. In no case may a member cast more than one vote by proxy in addition to his own vote. Any proxy must be filed with the Secretary before the appointed time of each meeting.

Section 9. Order of Business. The order of business at all regularly scheduled meetings of the regular members shall be as follows:

- (a) Roll call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Report of officers.
- (e) Report of committees.
- (f) Election of inspectors of election.
- (g) Election of directors.
- (h) Unfinished business.
- (i) New business.

In the case of special meetings, items (a) through (d) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meeting.

ARTICLE V

Directors

Section 1. Number and Qualification. The affairs of the Corporation shall be governed by the Board of Directors composed of an uneven number of at least three persons, a majority of whom [after the first annual meeting of members] shall be members of the Corporation.

Section 2. Initial Directors. The initial Directors shall be selected by the Grantor and need not be members of the Corporation. The names of the Directors who shall act as such from the date upon which the Master Deed is recorded among the Land Records of Montgomery County, Maryland, until the first annual meeting of the members or until such time as their successors are duly chosen and qualified are as follows: William F. Cahill, Brian W. Arthur and Stephen D. Peck.

Section 3. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Corporation and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. The powers and duties of the Board of Directors shall include but not be limited to the following:

To provide for the

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(a) Care, upkeep and surveillance of the project and its general and limited common elements and services in a manner consistent with the provisions of these By-Laws and the Master Deed.

(b) To establish and provide for the collection of assessments and/or carrying charges from the members and for the assessment and/or enforcement of

liens therefor in a manner consistent with the provisions of these By-Laws and the Master Deed.

(c) Designation, hiring and/or dismissal of the personnel necessary for the good working order of the project and for the proper care of the general or limited common elements and to provide services for the project in a manner consistent with the provisions of the By-Laws and the Master Deed.

(d) To promulgate and enforce such rules and regulations and such restrictions on or requirements as may be deemed proper respecting the use, occupancy and maintenance of the project and the use of the general and limited common elements as are designated to prevent unreasonable interference with the use and occupancy of the project and of the general and limited common elements by the members, all of which shall be consistent with the provisions of these By-Laws and the Master Deed.

(e) To authorize, in their discretion, patronage refunds from residual receipts when and as reflected in the annual report.

Section 4. Management Agent. The Board of Directors shall employ for the Corporation a management agent [the "Management Agent"] at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. The Corporation shall not employ any new Management Agent without thirty [30] days prior written notice to the institutional holders of all first mortgages on the condominium units and the Corporation shall not undertake "self-management" or otherwise fail to employ a professional management agent without the prior written approval of all of the institutional holders of such first mortgages.

Section 5. Election and Term of Office. The term of the Directors named herein and in the Articles of Incorporation shall expire when their successors have been elected at the first annual meeting of members and are duly qualified. The election of Directors shall be by ballot, unless balloting is dispensed with by the unanimous consent of the members present at any meeting, in person or by proxy. There shall be no cumulative voting. At the first annual meeting of the members, the term of office of the Director receiving the greatest number of votes shall be fixed for three [3] years. The term of office of the Director receiving the second greatest number of votes shall be fixed at two [2] years and the term of office of the other Director or Directors shall be fixed at one [1]

year. In the alternative, the membership may, by resolution duly made and adopted at such first annual meeting, or at any subsequent Annual meeting, elect to fix the term of each Director elected at such meeting one [1] year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three [3] years. Each Director shall hold office until their successors have been elected and hold their first meeting.

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Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the members at the next annual meeting to serve out the unexpired portion of the term.

Section 7. Removal of Directors. At a regular or special meeting duly called, but not before the first annual meeting of members as hereinabove provided for, any Director may be removed with or without cause by the affirmative vote of the majority of the entire regular membership of record and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. The term of any Director who becomes more than thirty [30] days delinquent in payment of any assessments and/or carrying charges shall be automatically terminated and the remaining Directors shall appoint his successor as provided in Section 6 of this Article.

Section 8. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him for the Corporation in any other capacity unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.

Section 9. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten [10] days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present.

Section 10. 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 at least four such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three [3] days prior to the day named for such meeting.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the President on three [3] days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place [as hereinabove provided] 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.

Section 12. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time and place thereof. If all the 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.

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Section 13. Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Action Without Meeting. 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 members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 15. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Corporation handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds. The premiums

on such bonds shall be paid by the Corporation.

Article VI

Officers

Section 1. Designation. The principal officers of the Corporation shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Directors may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be filled by the same person.

Section 2. Election of Officers. The officers of the Corporation 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 of Directors.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the members and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including but not limited to the power to appoint committees from among the membership from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Corporation.

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Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Corporation; he shall have custody of the seal of the Corporation; he shall have charge of the membership transfer books and of

such other books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Corporation. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Corporation in such depositories may from time to time be designated by the Board of Directors.

ARTICLE VII

Liability and Indemnification of Officers and Directors

Section 1. Liability and Indemnification of Officers and Directors. The Corporation shall indemnify every officer and director of the Corporation against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding [including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Corporation] to which he may be made a party by reason of being or having been an officer or director of the Corporation whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the Corporation shall not be liable to the members of the Corporation for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of the Corporation shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Corporation or the condominium project [except to the extent that such officers or directors may also be owners of condominium units] and the Corporation shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Corporation, or former officer or director of the Corporation may be entitled.

Section 2. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Corporation and the condominium project. No contract or other transaction between the Corporation and one or more of its Directors, or between the Corporation and any corporation, firm or

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association [including the Grantor] in which one or more of the Directors of this Corporation are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because such Director or Directors are present at the meeting of the Board of Directors of any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs 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 authorizes, approves, or ratifies such contract or transaction in good faith by vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to the members, or a majority thereof, and they 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 Corporation at the time it is authorized, ratified, approved or executed.

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 thereat to authorize any contract or transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested.

ARTICLE VIII

Management

Section 1. Management and Common Expenses. The Corporation by and through its Board of Directors shall manage, operate and maintain the condominium project and, for the benefit of the condominium units and the owners thereof, shall enforce the provisions hereof and may pay out of the common expense fund hereinelsewhere provided for, the following:

(a) The cost of providing water, sewer, garbage and trash collection, electrical, gas and other necessary utility services for the common elements and, to the extent that the same are not separately metered or billed, for the condominium units.

(b) The cost of fire and extended liability insurance

on the project and the cost of such other insurance as the Corporation may effect.

(c) The cost of the services of a person or firm to manage the project to the extent deemed advisable by the Corporation together with the services of such other personnel as the Board of Directors of the Corporation shall consider necessary for the operation of the project.

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(d) The cost of providing such legal and accounting services as may be considered necessary to the operation of the project.

(e) The cost of painting, maintaining, repairing and landscaping the common elements and such furnishings and equipment for the common element as the Board of Directors shall determine are necessary and proper, and the Board of Directors shall have the exclusive right and duty to acquire the same; provided, however, that nothing herein contained shall require the Corporation to paint, repair or otherwise maintain the interior of any condominium unit or any fixtures or equipment located therein.

(f) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Corporation is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the operation of the common elements; provided, however, that if any of the aforementioned are provided or paid for the benefit of a particular condominium unit or units, the cost thereof shall be specially assessed to the owner or owners thereof in the manner provided in subsection (g) of Section 1 of this Article.

(g) The cost of the maintenance or repair of any condominium unit in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the common area or to preserve the appearance or value of the project or is otherwise in the interest of the general welfare of all owners of the condominium units; provided, however, that no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the owner of the condominium unit proposed to be maintained and provided further that the cost thereof shall be assessed against the condominium unit on which such maintenance or repair is performed and, when so assessed a statement for the amount thereof shall be rendered to the then owner of said condominium unit at which time the assessment shall become due and payable and a continuing lien and obligation of said owner in all

respects as provided in Article IX of these By-Laws.

(h) Any amount necessary to discharge any lien or encumbrance levied against the project, or any portion thereof, which may, in the opinion of the Board of Directors, constitute a lien against any of the common elements rather than the interest of the owner of any individual condominium unit.

Section 2. Management Agent. The Corporation may delegate any of its duties, powers or functions to the Management Agent, provided that such delegation shall be revocable upon sixty [60] days written notice. The Corporation and the Board of Directors shall not be liable for any omission or improper exercise by the Management Agent of any such duty, power or function so delegated.

Section 3. Duty to Maintain. Except for maintenance requirements herein imposed upon the Corporation, if any, the owner of any condominium unit shall, at his own expense, maintain the interior of his condominium unit and any and' all equipment therein situate, and its other appurtenances, in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and the like which may at any time be necessary to maintain the good appearance of his condominium unit shall, at his own expense, maintain, repair or replace any plumbing fixtures, water heaters, heating and air-conditioning equipment, lighting fixtures, refrigerators, freezers, dishwashers, clothes washers, clothes dryers, disposals, ranges and/or other equipment that may be in or appurtenant to such condominium unit. The owner of any condominium unit shall also, at his own expense, maintain any limited common elements which may be appurtenant to such condominium unit in a clean, orderly and sanitary condition.

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Section 4. Access at Reasonable Times. For the purpose solely of performing any of the repairs or maintenance required or authorized by these By-Laws, or in the event of a bona fide emergency involving illness or potential danger to life or property, the Corporation, through its duly authorized agents or employees, shall have the right, after reasonable notice to the owner, to enter any condominium unit at any hour considered to be reasonable under the circumstances.

Section 5. Easements for Utilities and Related Purposes. The Corporation is authorized and empowered to grant such licenses, easements and/or rights-of-way for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, underground conduits

and/or such other purposes related to the provision of public utilities to the project or other similar projects as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the common elements or for the preservation of the health, safety, convenience and/or welfare of the owners of the condominium units. The same may be granted only over those portions of the common elements upon which no building or structure has been erected.

Section 6. Limitation of Liability. The Corporation shall not be liable for any failure of water supply or other services to be obtained by the Corporation or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or by the owner of any condominium unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the common elements or from any pipe, drain, conduit, appliance or equipment. The Corporation shall not be liable to the owner of any condominium unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the limited common elements. No diminution or abatement of common expense assessments, as hereinelsewhere provided, shall be claimed or allowed for inconvenience or discomfort pricing from the making of repairs or improvements to the common elements or from any action taken by the corporation to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE IX

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Assessments and Carrying Charges

Section 1. Annual Assessments and Carrying Charges. Each member shall pay to the Corporation a monthly sum [hereinafter sometimes referred to as "carrying charges"] equal to one-twelfth f1/12j of the member's proportionate share of the sum required by the Corporation, as estimated by its Board of Directors, to meet its annual expenses, including but in no way limited to the following:

(a) The cost of all operating expenses of the project and services furnished, including charges by the Corporation for facilities and services furnished by it and charges by the community facilities trustee for facilities and services furnished by it.

(b) The cost of necessary management and administration, including fees paid to any management agent.

(c) The amount of all taxes and assessments levied against the Corporation or upon any property which it may own or which it is otherwise required to pay, if any.

(d) The cost of fire and extended liability insurance on the project and the cost of such other insurance as the Corporation may effect.

(e) The cost of furnishing water, electricity, heat, gas, garbage and trash collection and/or other utilities, to the extent furnished by the Corporation.

(f) The cost of funding all reserves established by the Corporation, including, when appropriate, a general operating reserve and/or a reserve for replacement.

(g) The estimated cost of repairs, maintenance and replacements of the project to be made by the Corporation.

The Board of Directors shall determine the amount of the assessment annually, but may do so at more frequent intervals should circumstances so require.

Section 2. Special Assessments. In addition to the regular assessments authorized by this Article, the Corporation may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement located upon the project, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate, provided that any such assessment shall have the assent of the members representing two-thirds [2/3] of the total value of the project. A meeting of the members shall be duly called for this purpose, written notice of which shall be sent to all members at least ten [10] days but not more than thirty [30] days in advance of such meeting, which notice shall set forth the purpose of the meeting.

Section 3. Reserve for Replacements. The Corporation shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve funds of an amount to be designated from time to time by the Board of Directors. Such fund shall be conclusively deemed to be a common expense. Such fund shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of the United States of America. The reserve for replacements may be expended only for the purpose of effecting the replacement of the common elements and equipment of the project and for operating

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contingencies of a non-recurring nature. The amounts required to be allocated to the reserve for replacements may be reduced or suspended by appropriate resolution of the Board of Directors, upon the accumulation in such reserve for replacements of a sum equal to ten percent [10%] of the full replacement value of the condominium project as such full replacement value is annually determined by the Board of Directors for casualty insurance purposes. The proportionate interest of any owner in any reserve for replacements shall be considered an appurtenance of his condominium unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the condominium unit to which it appertains and shall be deemed to be transferred with such condominium unit.

Section 4. Non-Payment of Assessment. Any assessment levied pursuant to these by-Laws, or any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with interest thereon and the cost of collection thereof, as hereinafter provided, thereupon become a continuing lien upon the condominium unit or units belonging to the member against whom such assessment is levied and shall bind such condominium unit or units in the hands of the then owner, his heirs, devisees, personal representatives and assigns, all in accordance with the provisions of Article 21, 11-116, et seq., Annotated Code of Maryland (1972). The personal obligation of the member to pay such assessment shall, however, remain his personal obligation for the statutory period and a suit to recover a money judgment for non-payment of any assessment levied pursuant to these By-Laws, or any installment thereof, may be maintained without foreclosing or waiving the lien herein and by the aforesaid statute created to secure the same.

Any assessment levied pursuant to these By-Laws, or any installment thereof, which is not paid within ten [10] days after it is due, shall bear interest at the rate of eight percentum [8%] per annum, and the Corporation may bring an action at law against the member personally obligated to pay the same, or foreclose, the lien against the condominium unit or units then belonging to said member, in either of which events interest, costs and reasonable attorneys' fees of not less than fifteen percentum [15%] of the sum claimed shall be added to the amount of each assessment.

Section 5. Assessment Certificates. The Corporation shall upon demand at any time furnish to any member liable for any assessment levied pursuant to these By-Laws [or any other party legitimately interested in the same a

certificate in writing signed by an officer of the Corporation, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A charge not to exceed Thirty Dollars [\$30.00] may be levied in advance by the Corporation for each certificate so delivered.

Section 6. Acceleration of Installments. Upon default in the payment of any one or more monthly installments of any assessment levied pursuant to these By-Laws, or any other installment thereof, the entire balance of said assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full.

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Section 7. Priority of Lien. The lien established by this Article and by Article 21, 11-117, Annotated Code of Maryland (1972), shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

(a) General and special assessments for real estate taxes on the condominium unit; and

(b) The liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the condominium unit prior to the assessment of the lien thereon or duly recorded on said unit after receipt of a written statement from the Board of Directors reflecting that payments on said lien were current as of the date of recordation of said deed of trust, mortgage instrument or encumbrance.

Section 8. Subordination and Mortgage Protection. Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these By-Laws upon any condominium unit in the project shall be subordinate to, and shall in no way affect the rights of the holder of any indebtedness secured by any recorded first mortgage [meaning a mortgage with priority over other mortgages] upon such interest made in good faith and 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 condominium unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser at such sale of the condominium unit from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment, which said lien, if any, claimed shall have the same effect and be enforced in the same manner as provided herein.

No amendment to this Section shall affect the rights of the holder of any such mortgage [or the indebtedness secured thereby] recorded prior to recordation of such amendment unless the holder thereof [or of the indebtedness secured thereby] shall join in the execution of such amendment.

The Board of Directors may, in their sole and absolute discretion, extend the provisions of this Section to the holders of mortgages [or the indebtedness secured thereby] not otherwise entitled thereto.

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Use Restrictions

Section 1. Residential Use. All condominium units shall be used for private residential purposes exclusively except for such temporary non-resident uses as may be permitted by the Board of Directors from time to time. No more than two [2] persons may reside in any one-bedroom condominium unit and no more than three [3] persons may reside in any two-bedroom condominium unit without the prior written approval of the Board of Directors.

Section 2. Age, etc. No person under the age of fifty [50] years may permanently reside in any condominium unit within the project. The right to use or occupy any condominium unit within the project, reside therein permanently or otherwise, and the right to sell, lease or otherwise transfer or convey any condominium unit may be subject to such uniform objective standards relating to financial responsibility, age, and/or character as may now or hereafter be set forth in these By-Laws. No such restriction shall be based upon race, religion, sex or place of national origin.

Section 3. Leasing. No condominium unit within the project shall be rented for transient or hotel purposes or in any event for any period less than three [3] months. No portion of any condominium unit [other than the entire unit] shall be leased for any period. Any owner of any condominium unit who shall lease such unit shall promptly following the execution of any such lease, forward a conformed copy thereof to the Board of Directors. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the condominium unit shall be subject and subordinate in all respects to the provisions of the Master Deed and these By-Laws and to such rules and regulations relating to the use of the common elements, or other "house rules" as the Board of Directors

may from time to time promulgate. The provisions of this subsection shall not apply to any institutional mortgage of any condominium unit who comes into possession of the unit as a result of a foreclosure sale or as a result of any proceeding in lieu of foreclosure. Any and all leases entered into by the Grantor prior to the date of recordation hereof shall not be considered subordinate to the provisions hereof.

Section 4. Prohibited Uses and Nuisances.

(a) No noxious or offensive trade or activity shall be carried on within the project or within any condominium unit situate thereon, nor shall anything be done therein or thereon which may be or become and annoyance to the neighborhood or the other owners.

(b) There shall be no obstruction of any common elements. Nothing shall be stored upon any common elements without the approval of the Board of Directors. Vehicular parking upon common elements shall be regulated by the Board of Directors, provided, however, that at least one parking space shall be assigned by the Board of Directors for use by the owner of each condominium unit.

(c) Nothing shall be done or maintained in any condominium unit or upon any common elements which will increase the rate of insurance on any condominium unit or common elements, or result in the cancellation thereof, without the prior written approval of the Board of Directors. Nothing shall be done or maintained in any condominium unit or upon common elements which would be in violation of any law. No waste shall be committed upon any common elements.

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(d) No structural alteration, construction, addition or removal of any condominium unit or common elements shall be commenced or conducted except in strict accordance with the provisions of these By-Laws.

(e) The maintenance, keeping, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within any condominium unit or upon any common elements, except that this shall not prohibit the keeping of dogs, cats and/or caged birds as domestic pets provided that they are not kept, bred or maintained for commercial purposes.

(f) No signs of any character shall be erected, posted or displayed upon, in, from or about any condominium unit or common elements, provided, however, that one temporary real estate sign of customary and

reasonable dimensions may be displayed upon, in or from any condominium unit placed upon the market for sale or rent.

(g) Except as hereinelsewhere provided, no junk vehicle or other vehicle on which current registration plates are not displayed, trailer, truck, camper, camp truck, house trailer, boat or the like shall be kept upon any common elements, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon. The Corporation may, in the discretion of its Board of Directors, provide and maintain a suitable area designated for the parking of such vehicles or the like. [The foregoing is not intended to prohibit the parking of golf carts in any portion of the common elements designated by the Board of Directors for that purpose.]

(h) No part of the common elements shall be used for commercial activities of any character.

(i) No burning of any trash and no unreasonable or unsightly accumulation or storage or litter, new or used building materials, or trash of any other kind shall be permitted within any condominium unit or upon any common elements. Trash and garbage containers shall not be permitted to remain in public view except on days of collection.

(j) No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any common elements at any time. Outdoor clothes dryers or clothes lines shall not be maintained upon any common elements at any time.

(k) No outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, shall be maintained upon any condominium unit or upon any common elements without the prior written consent of the Board of Directors.

(l) There shall be no violation of any rules for the use of the common elements which may from time to time be adopted by the Board of Directors and promulgated among the membership by them in writing, and the Board of Directors is hereby and elsewhere in these by-Laws authorized to adopt such rules.

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ARTICLE XI

Architectural Control

Section 1. Architectural Control Committee. Except for the original construction of the condominium units situate

within the project by the Grantor and any improvement to any condominium unit or to the common elements accomplished concurrently with said original construction, and except for purposes of proper maintenance and repair or as otherwise in these By-Laws provided, it shall be prohibited to install, erect, attach, apply paste, hinge, screw, nail, build, alter, plant, remove or construct any lighting, shades, screens, awnings, patio covers, decorations, fences, hedges, landscaping features, walls, aerials, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways, walls or to make any change or otherwise alter [including any alteration in color] in any manner whatsoever the exterior of any condominium unit or upon any of the common elements within the project or to combine or otherwise join two or more condominium units, or to partition the same after combination, or to remove or alter any windows or exterior doors of any condominium unit, or to make any change or alteration within any condominium unit which will alter the structural integrity of the building or otherwise affect the property, interest or welfare of any other unit owner, materially increase the cost of operating or insuring the condominium project, impair any easement, until the complete plans and specifications, showing the location, nature, shape, height, material, color, type of construction and/or any other proposed form of change [including, without limitation, any other information specified by the Board of Directors or its designated committee] shall have been submitted to and approved in writing as to safety, the effect of any such alterations on the costs of maintaining and insuring the condominium project and harmony of design, color and location in relation to surrounding structures and topography, by the Board of Directors of the Corporation, or by an architectural control committee designated by it.

Section 2. Architectural Control Committee - Operation. The Architectural Control Committee shall be composed of three [3] or more natural persons designated from time to time by the Board of Directors of the Corporation and such persons shall serve at the pleasure of the Board of Directors. In the event the Board of Directors fails to appoint and Architectural Control Committee, then the Board of Directors shall constitute the Committee. The affirmative vote of a majority of the members of the Architectural Control Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article.

Section 3. Approvals, etc. Upon approval by the Archi-

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tectural Control Committee of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of such Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Architectural Control Committee fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within sixty [60] days after such plans and specifications [and all other materials and information required by the Architectural Control Committee] have been submitted to it in writing, then approval will not be required and this Article will be deemed to have been fully complied with.

Section 4. Limitations. Construction or alterations in accordance with plans and specifications approved by the Architectural Control Committee pursuant to the provisions of the Article shall be commenced within six [6] months following the date upon which the same are approved by the Architectural Control Committee [whether by affirmative action or by forbearance from action, as in Section 3 of this Article provided], and shall be substantially completed within twelve [12] months following the date of commencement, or within such longer period as the Architectural Control Committee shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Architectural Control Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. There shall be no deviations from plans and specifications approved by the Architectural Control Committee without the prior consent in writing of the Architectural Control Committee. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural Control Committee to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

Section 5. Certificate of Compliance. Upon the completion of any construction or alterations or other improvements or structure in accordance with plans and specifications approved by the Architectural Control Committee in accordance with the provisions of this Article, the Architectural Control Committee shall, at the request of the owner thereof, issue a certificate of compliance which shall be prima facie evidence that such construction, alteration or other improvements referenced

in such certificate have been approved by the Architectural Control Committee and constructed or installed in full compliance with the provisions of this Article and with such other provisions and requirements of these By-Laws as may be applicable.

Section 6. Rules and Regulations, etc. The Architectural Control Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish such statements of policy, standards, guidelines and/or establish such criteria relative to architectural styles or details, or other matters, as it may consider necessary or appropriate. No such rules, regulations, statements criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of these By-Laws. The Architectural Control Committee may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this Article. The decisions of the Architectural Control Committee shall be final except that any member who is aggrieved by any action or forbearance from action by the Architectural Control Committee may appeal the decision of the Architectural Control Committee to the Board of Directors of the Corporation and, upon the request of such member, shall be entitled to a hearing before the Board of Directors.

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ARTICLE XII

Right of First Refusal

Section 1. Right of First Refusal. In the event the owner of any condominium unit wishes to transfer the title thereto [and as a condition precedent to each and every such transfer] and shall have received a bona fide offer to purchase same, such owner shall notify the Board of Directors in writing that the condominium unit is for sale and shall supply the Board of Directors with an executed copy of such offer and the terms thereof, including the name and age of the prospective purchaser and such other information as the Board of Directors, in the reasonable exercise of its discretion, may request. For a period of thirty [30] days following receipt of the aforesaid notice by the Board of Directors, the Corporation shall have the right to purchase the subject condominium unit upon the same terms and conditions as set forth in the offer therefor. The failure or refusal by the Board of Directors to exercise the right of first refusal shall not constitute or be deemed a waiver of such right in the event the owner of any condominium unit receives any subsequent bona fide

offer from the same or a different party.

Section 2. Application. The right of first refusal provided for in this Article shall not apply to transfers made solely for the purpose of securing the performance of an obligation, transfers involving a foreclosure sale or other judicial sale of any transfer to a mortgagee in lieu of foreclosure, the transfer of one joint tenant's interest to another, by operation of law or otherwise, or transfers by will or intestate distribution.

Section 3. Certificate of Termination. The Corporation shall upon demand at any time furnish to any member, or other party legitimately interested in the same, a certificate in writing signed by an officer of the Corporation, or execute an appropriate certificate on any deed for any condominium unit, stating that the requirements of Section 1 of this Article have been complied with, or duly waived by the Board of Directors, and that the rights of the Board of Directors thereunder have terminated. Such certificate shall be conclusive evidence of compliance with the requirements of Section 1 of this Article for all persons who rely thereon in good faith. A charge not to exceed Thirty Dollars [\$30.00] may be levied in advance by the Corporation for each certificate so delivered.

ARTICLE XIII

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Insurance

Section 1. Insurance. The Board of Directors shall obtain and maintain to the extent available, at least the following:

(a) Casualty or physical damage insurance in an amount equal to the full replacement value [i.e., 100% of "replacement cost"] of the condominium project with an "agreed amount" endorsement and a "condominium replacement cost" endorsement, without deduction or allowance for depreciation, [as determined annually by the Board of Directors with the assistance of the insurance company affording such coverage], such coverage to afford protection against at least the following:

- (i) loss or damage by fire or other hazards covered by the standard extended coverage endorsement together with coverage for common expenses with respect to condominium units during any period of repair or reconstruction;
- (ii) Such other risks as shall customarily be covered

with respect to projects similar in construction, location and use, including, but not limited to, vandalism, malicious mischief windstorm, water damage, machinery explosion or damage, and such other insurance as the Board of Directors may from time to time determine; and

(b) Public liability insurance in such amounts and in such form as may be considered appropriate by the Board of Directors, including, but not limited to, water damage, legal liability, hired automobile, non-owned automobile and any and all other liability incident to the ownership and/or use of the condominium project or any portion thereof; and

(c) Workmen's compensation insurance to the extent necessary to comply with any applicable law; and

(d) A "Legal Expense Indemnity Endorsement", or its equivalent, affording protection for the officers and directors of the Corporation for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any such officer or director shall have been made a party by reason of his or her services as such; and

(e) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature, as are or shall hereafter be considered appropriate by the Board of Directors.

Section 2. Limitations. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

(a) All policies shall be written with a company or companies licensed to do business in the State of Maryland and holding a rating of "A + AAAA" or better in Best's Insurance Guide.

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(b) Exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors or its authorized representative, including any trustee with which the Corporation may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be hereinelsewhere referred to as the "Insurance Trustee".

(c) In no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution with insurance purchased by the owners of the condominium units or their mortgagees, as herein permitted, and any "no other insurance" or

similar clause in any policy obtained by the Corporation pursuant to the requirements of this Article shall exclude such policies from consideration.

(d) All policies shall provide that such policies may not be cancelled or substantially modified without at least thirty [30] days' prior written notice to any and all insureds named thereon, including any and all mortgagees of the condominium units.

(e) All policies of casualty insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Board of Directors [or any Insurance Trustee] or when in conflict with the provisions of these By-Laws or the provision of Article 21, 11-120 of the Annotated Code of Maryland (1972).

(f) All policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Corporation, the Board of Directors, the owner of any condominium unit and/or their respective agents, employees or invitees, and of any defenses based upon co-insurance or invalidity arising from the acts of the insured.

(g) Such policies shall contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the building, whether or not within the control or knowledge of the Board of Directors and shall contain no provision relieving the insurer from liability by reason of any breach of warranty or condition caused by the Board of Directors or any owner of any condominium unit, and/or their respective agents, employees, tenants, mortgagees or invitees or by reason of any act of neglect or negligence on the part of any of them.

Section 3. Individual Policies - Recommendation of Grantor. The owner of any condominium unit [including the holder of any mortgage thereon] may obtain additional insurance [including a "condominium unit-owner's endorsement" for improvements and betterments to the condominium unit made or acquired at the expense of the owner] at his own expense. Such insurance shall be written by the same carrier as that purchased by the Board of Directors pursuant to this Article or shall provide that it shall be without contribution as against the same. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 2(f) of this Article.

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The Grantor recommends that each owner of a condominium unit in the project obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a "Tenant's Homeowners Policy", or equivalent, to insure against loss or damage to personal property used or incidental to the occupancy of the condominium unit, additional living expense, plateglass damage, vandalism or malicious mischief, theft, personal liability and the like. Such policy should include a "condominium unit-owner's endorsement" covering losses to improvements and betterments to the condominium unit made or acquired at the expense of the owner.

Section 4. Endorsements, etc. The Board of Directors, at the request of any owner of any condominium unit in the project or at the request of the mortgagee of any such condominium unit, shall promptly obtain and forward to such owner or mortgagee (a) an endorsement to any of the policies aforementioned in this Article XIII showing the interest of such owner or mortgagee as it may appear; and (b) certificates of insurance relating to any of such policies; and (c) copies of any such policies, duly certified by the insurer or its duly authorized agent.

ARTICLE XIV

Casualty Damage - Reconstruction or Repair

Section 1. Use of Insurance Proceeds. In the event of damage or destruction by fire or other casualty the same shall be promptly repaired or reconstructed in substantial conformity with the original plans and specifications with the proceeds of insurance available for that purpose, if any.

Section 2. Proceeds Insufficient. In the event that the proceeds of insurance are not sufficient to repair damage or destruction by fire or other casualty, or in the event such damage or destruction is caused by any casualty not herein required to be insured against, then the repair or reconstruction of the damaged common elements shall be accomplished promptly by the Corporation at its common expense and the repair or reconstruction of any condominium unit shall be accomplished promptly by the Corporation at the expense of the owner of the affected condominium unit. The ratable share of the expense of such repairs or reconstruction may be assessed and the lien for the same shall have all the priorities provided for in Article IX of these By-Laws.

Section 3. Restoration Not Required. In the event more than two-thirds [2/3] of the entire project is

substantially damaged or destroyed by fire or other casualty and the members do not promptly and unanimously resolve to proceed with repair or reconstruction, then and in that event the project shall be deemed to be owned in common by the owners of all of the condominium units in the same proportions as that previously established for ownership of appurtenant undivided interests in the common elements and the project shall be subject to an action for partition at the suit of the owner of any condominium unit or the holder of any lien thereon, in which event the net proceeds of sale, together with the net proceeds of any insurance paid to the Corporation or its members in common, shall be considered as one fund and shall be divided among the owners of all the condominium units in the same proportion as that previously established for ownership of appurtenant undivided interests in the common elements, after first paying out the share of the owner of any condominium unit, to the extent such share is sufficient for the purpose, all liens upon said condominium unit.

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Section 4. Insurance Trustee. Except for losses involving the substantial damage or destruction of more than two-thirds [2/3] of the condominium project, where the members do not resolve to proceed with repair or reconstruction, as in Section 3 of this Article provided for, in the event the cost of reconstruction or repair [as estimated by the Board of Directors] shall exceed an amount equal to ten percent [10%] of the full replacement value of the condominium project, as estimated by the Board of Directors and the insurer pursuant to the requirements of Section 1(a) of Article XIII of these By-Laws for the period during which such loss was sustained, and the institutional holder of any mortgage or other obligation secured by any condominium unit or units, the aggregate principal sum of more than \$500,000.00 [hereinafter in this Section 4 called the "mortgagee"] shall so require, all proceeds of insurance shall be paid over to a trust company or bank having trust powers and authorized to engage in trust business in the jurisdiction wherein the condominium project is located, selected by the Board of Directors with the approval of the mortgagee, and shall be paid out from time to time as the reconstruction or repair progresses in accordance with the provisions of an Insurance Trust Agreement satisfactory in form and substance to the mortgagee and which shall contain inter alia, the following provisions:

(a) The reconstruction or repair shall be in charge of an architect or engineer, who may be an employee of the Corporation, satisfactory to the mortgagee, and hereinafter in this Section 4 called the "architect".

(b) Prior to the commencement of the reconstruction

or repair, other than such work as may be necessary to protect the condominium project from further damage, the mortgagee shall have approved the plans and specifications for such reconstruction or repair, which approval shall not be unreasonably withheld or delayed.

(c) Unless otherwise required by the mortgagee, each request for an advance of the proceeds of insurance shall be made to the mortgagee at least ten [10] days prior to delivery to the Insurance Trustee and shall be accompanied by a certificate from the architect to the effect that (i) all work then completed has been performed in accordance with the plans and specifications and all building codes or other similar governmental requirements; and (ii) the amount requested to be advanced is required to reimburse the Board of Directors for payments previously made by the Board of Directors or is due to the contractor responsible for the restoration or repair, or to subcontractors, materialmen, laborers, engineers, architects or to other persons responsible for services or materials in connection with such restoration or repair, or for fees or the like necessarily incurred in connection with the same; and (iii) when added to amounts previously advanced by the Insurance Trustee, the amount requested to be advanced does not unreasonably exceed the value of the work done and materials delivered to the date of such request.

(d) Each request for an advance of the proceeds of insurance, if required by the mortgagee shall if required by the mortgagee be accompanied by satisfactory waivers of liens covering that portion of the repair or reconstruction for which payment or reimbursement is being requested, together with appropriate evidence from a title insurance company of the like to the effect that there has not been filed with respect to the condominium project any mechanic's or other lien, or notice of intention to file the same, which has not been dismissed or satisfied on record.

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(e) The fees and expense of the Insurance Trustee, as agreed upon by the Board of Directors and the Insurance Trustee, shall be paid by the Corporation as a common expense, and such fees and expenses may be deducted from any insurance proceeds in the hands of the Insurance Trustee, pro rata as the reconstruction or repair progresses.

(f) such other provisions not inconsistent with the provisions hereof as the Board of Directors, the Insurance Trustee or the mortgagee may reasonably require.

Upon completion of the reconstruction or repair and

payment in full of all amounts due on account thereof, any proceeds of insurance then in the hands of the Insurance Trustee shall be paid to the Board of Directors and shall be considered as one fund and shall be divided among the owners of all of the condominium units in the same proportion as that previously established ownership of appurtenant undivided interests in the common elements, after first paying out of the share of the owner of any condominium unit, to the extent such payment is required by any lien or and to the extent the same is sufficient for the purpose, all liens upon said condominium unit.

ARTICLE XV

Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January every year, except that the first fiscal year of the Corporation shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate.

Section 2. Books and Accounts. Books and accounts of the Corporation shall be kept under the direction of the Treasurer in accordance with good accounting practices. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures affecting the project and its administration and shall specify the maintenance and repair expenses of the general and limited common elements and any other expenses incurred. The amount of any assessment required for payment on any capital expenditures of the Corporation shall be credited upon the books of the Corporation to the "paid-in-surplus" account as a capital contribution by the members.

Section 3. Auditing. At the close of each fiscal year, the books and records of the Corporation shall be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards. Based upon such report the Corporation shall furnish its members with an annual financial statement including the income and disbursements of the Corporation.

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Section 4. Inspection of Books. The books and accounts of the Corporation, and vouchers accrediting the entries made thereupon, shall be available for examination by the members of the Corporation, and/or their duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their interests as members.

Section 5. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Corporation by either the President or Vice President, and all checks shall be executed on behalf of the Corporation by such officers, agents or other persons as are from time to time so authorized by the Board of Directors.

Section 6. Seal. The Board of Directors shall provide a suitable corporate seal containing the name of the Corporation, which seal shall be in the charge of the secretary. If so directed by the Board of Directors, a duplicate seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer.

ARTICLE XVI

Amendments

Section 1. Amendments. These By-Laws may be amended by the affirmative vote of members representing two-thirds [2/3/] of the total value of the condominium project at any meeting of the members duly called for such purpose in accordance with the provisions of Article 21, 11-111(j) of the Annotated Code of Maryland (1972), effective only upon the recordation among the Land Records for Montgomery County, Maryland, of an amendment to the By-Laws attached as "EXHIBIT B" to the Master Deed setting forth such amendments to these By-Laws and only after thirty [30] days' prior written notice to the institutional holders of all first mortgages on the condominium units in the project. Amendments may be proposed by the Board of Directors or by petition signed by members representing at least twenty percent [20%] of the total value of the condominium project. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

ARTICLE XVII

Mortgages - Notice

Section 1. Notice to Board of Directors. Any owner of any condominium unit in the condominium project who mortgagees such unit shall promptly notify the Board of Directors of the name and address of his mortgagee and, if requested so to do, shall file a conformed copy of such mortgage with the Board of Directors. The Board of Directors shall maintain suitable records pertaining to such mortgages. Any failure to give such notice shall not affect the validity or

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or priority of such mortgage and the protection extended to the holder of such mortgage [or the indebtedness secured thereby] by reason of the provisions of Section 7 or Section 8 of Article IX of these By-Laws shall not be altered, modified, or diminished by reason of such failure.

Section 2. Consents. Any other provision of these By-Laws or of the Master Deed to the contrary notwithstanding, the Corporation shall not, and neither the members nor the Board of Directors shall institute any proceeding to, without the prior written consent of all first mortgages of record, take any of the following actions:

(a) Abandon or terminate the condominium property regime; or

(b) modify or amend the provisions of these By-Laws or of the Master Deed; or

(c) modify the method of determining and collecting common expense assessments and/or other assessments as provided in Article IX of these By-Laws; or

(d) partition, subdivide, transfer or otherwise dispose of any of the common elements of the condominium project; or

(e) resolve to use the proceeds of casualty insurance for any purpose other than the repair or restoration of the common elements.

Section 3. Definition. As used in this Article, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgages, and the term "mortgage" shall include a deed of trust. As used generally in these By-Laws, the term "institutional holder" or "institutional Mortgagee" shall include banks, trust companies, insurance companies, savings and loan associations, pension funds and any corporation, including a corporation of, or affiliated with, the United States Government, or any agency thereof.

ARTICLE XVIII

Supplemental Enforcement of Lien

Section 1. Supplemental Enforcement of Lien. In addition to the proceedings at law or in equity for the enforcement of the lien established by the Master Deed, these By-Laws, or by Article 21, 11-101, et seq., Annotated Code of Maryland (1972), all of the owners of condominium project may be required by the Grantor or 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 a Declaration in Trust recorded among the Land Records for Montgomery County, Maryland granting unto a Trustee or Trustees appropriate powers to the end that, upon default in the said Trustee or Trustees, acting at the direction of the Management Agent or the Board of Directors in the event any such bonds have been executed and such Declaration in Trust is recorded, then any subsequent purchaser of a condominium unit in the condominium project shall take title subject thereto and shall assume the obligations therein provided for.

ARTICLE XIX

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Folio 235

Compliance - Interpretation - Miscellaneous

Section 1. Compliance. These By-Laws are set forth in compliance with the requirements of Article 21, 11-101 through and including 11-126 Annotated Code of Maryland (1972).

Section 2. Conflict. These By-Laws are subordinate and subject to all provisions of the Master Deed and to the provisions of Article 21, 11-101 through and including 11-126, Annotated Code of Maryland (1972). All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Master Deed or the aforesaid statute. In the event of any conflict between these By-Laws and the Master Deed, the provisions of the Master Deed shall control; and in the event of any conflict between the aforesaid Master Deed and Article 21, 11-101 through and including 11-126, Annotated Code of Maryland (1972), the provisions of the statute shall control.

Section 3. Resident Agent. Harley E. Kinkead, of 14129 Chesterfield Road, Rockville, Montgomery County, Maryland 20853, shall be designated as the person authorized to accept service or process in any action relating to two or more condominium units or to the common elements as authorized under Article 21, 11-123, Annotated Code of Maryland (1972).

Section 4. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 5. Notices. Unless another type of notice is herein elsewhere specifically provided for, any and all

notices called for in the Master Deed and in these By-Laws shall be given in writing.

Section 6. Waiver. No restriction, condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce same.

Section 7. Captions. The captions contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 8. Gender, etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

% of Ownership of

<u>Unit No.</u>	<u>Unit Value</u>	<u>Common Elements*</u>
1 A	\$36,490.00	.009311
1 B	36,490.00	.009311
2 A	36,490.00	.009311
2 B	36,490.00	.009311
3 A	36,490.00	.009311
3 B	36,490.00	.009311
4 A	36,490.00	.009311
4 B	36,490.00	.009311
5 A	36,490.00	.009311
5 B	36,490.00	.009311
6 A	36,490.00	.009311
6 B	36,490.00	.009311
7 A	36,490.00	.009311
7 B	36,490.00	.009311
8 A	36,490.00	.009311
8 B	36,490.00	.009311
9 A	38,490.00	.009822
9 B	38,490.00	.009822
10 A	38,490.00	.009822
10 B	38,490.00	.009822
11 A	38,490.00	.009822
11 B	38,490.00	.009822
12 A	38,490.00	.009822
12 B	38,490.00	.009822
13 A	38,490.00	.009822
13 B	38,490.00	.009822
14 A	38,490.00	.009822
14 B	38,490.00	.009822
15 A	38,490.00	.009822
15 B	38,490.00	.009822

* This percentage is also determinative of voting rights and common expenses.

Page 1 of 4 pages of "EXHIBIT C" attached to and made a part of a certain Master Deed made by Rossmoor Construction Corporation this 15th day of May, 1974.

% of Ownership of

<u>Unit No.</u>	<u>Unit Value</u>	<u>Common Elements*</u>
16 A	\$38,490.00	.009822
16 B	38,490.00	.009822
17 A	38,490.00	.009822
17 B	38,490.00	.009822
18 A	38,490.00	.009822
18 B	38,490.00	.009822
19 A	38,490.00	.009822
19 B	38,490.00	.009822
20 A	36,490.00	.009311
20 B	36,490.00	.009311
21 A	38,490.00	.009822
21 B	38,490.00	.009822
22 A	38,490.00	.009822
22 B	38,490.00	.009822
23 A	36,490.00	.009311
23 B	36,490.00	.009311
24 A	38,490.00	.009822
24 B	38,490.00	.009822
25 A	38,490.00	.009822
25 B	38,490.00	.009822
26 A	38,490.00	.009822
26 B	38,490.00	.009822
27 A	36,490.00	.009311
27 B	36,490.00	.009311
28 A	38,490.00	.009822
28 B	38,490.00	.009822
29 A	38,490.00	.009822
29 B	38,490.00	.009822
30 A	38,490.00	.009822
30 B	38,490.00	.009822
31 A	36,490.00	.009311
31 B	36,490.00	.009311
32 A	36,490.00	.009311
32 B	36,490.00	.009311

* This percentage is also determinative of voting rights and common expenses.

Page 2 of 4 pages of "EXHIBIT C" attached to and made a part of a certain Master Deed made by Rossmoor Construction Corporation this 15th day of May, 1974.

% of Ownership of

<u>Unit No.</u>	<u>Unit Value</u>	<u>Common Elements*</u>
33 A	\$38,490.00	.009822
33 B	38,490.00	.009822
34 A	38,490.00	.009822
34 B	38,490.00	.009822
35 A	38,490.00	.009822
35 B	38,490.00	.009822
36 A	38,490.00	.009822
36 B	38,490.00	.009822
37 A	36,490.00	.009311
37 B	36,490.00	.009311
38 A	38,490.00	.009822
38 B	38,490.00	.009822
39 A	36,490.00	.009311
39 B	36,490.00	.009311
40 A	36,490.00	.009311
40 B	36,490.00	.009311
41 A	36,490.00	.009311
41 B	36,490.00	.009311
42 A	38,490.00	.009822
42 B	38,490.00	.009822
43 A	36,490.00	.009311
43 B	36,490.00	.009311
44 A	36,490.00	.009311
44 B	36,490.00	.009311
45 A	38,490.00	.009822
45 B	38,490.00	.009822
46 A	38,490.00	.009822
46 B	38,490.00	.009822
47 A	38,490.00	.009822
47 B	38,490.00	.009822
48 A	36,490.00	.009311
48 B	36,490.00	.009311
49 A	36,490.00	.009311
49 B	36,490.00	.009311

* This percentage is also determinative of voting rights and common expenses.

Page 3 of 4 pages of "EXHIBIT C" attached to and made a part of a certain Master Deed made by Rossmoor Construction Corporation this 15th day of May, 1974.

% of Ownership of

<u>Unit No.</u>	<u>Unit Value</u>	<u>Common Elements*</u>
50 A	\$36,490.00	.009311
50 B	36,490.00	.009311
51 A	36,490.00	.009311
51 B	36,490.00	.009311
52 A	38,490.00	.009822
52 B	38,490.00	.009822

* This percentage is also determinative of voting rights and common expenses.

Page 4 of 4 pages of "EXHIBIT C" attached to and made a part of a certain Master Deed made by Rossmoor Construction Corporation this 15th day of May, 1974

LIBER 20574 FOLIO 635

CERTIFICATE OF AMENDMENT

OF BYLAWS

MARYLAND MUTUAL NO. THIRTEEN, INC.

This is to certify that the Bylaws of Maryland Mutual No. Thirteen, Inc. referred to in that Master Deed, made by Rossmoor Construction Corporation, Inc., recorded among the Land Records of Montgomery County, Maryland, in Liber 4529 at Folio 209, et seq., (said Bylaws being attached to said Master Deed as "Exhibit B") were duly amended at a Special Meeting of the membership of said Corporation held on the 7th day of November, 2001; that said amendment was duly adopted in accordance with all requirements for adoption of an amendment to said Bylaws; "that the amendment was attached hereto as "Exhibit I" is a true and complete copy of the amendment so adopted; and that attached hereto as "Exhibit II" is a certificate of the persons appointed to count votes at said meeting of the Council of Unit Owners; that the amendment was approved by unit owners having the percentage of votes required by the Bylaws.

It witness whereof we hereunto set our hands and seals this 7th day of November, 2001.

Antonio Marotta, President
Maryland Mutual No. 13, Inc.

ATTEST:

Jean M. Donaldson, Secretary
Maryland Mutual No. 13, Inc.

LIBER 20574 FOLIO 636

EXHIBIT I

Article XIV of the By-Laws of Maryland Mutual No. Thirteen, Inc. is amended by adding at the end thereof the following new section:

Section 5. Damage Originating from Unit.(Insurance Deductible)

The deductible, if any, on any master property damage insurance claim shall be a common expense, subject to the provisions of this subsection.

If the cause of any casualty damage originates in a unit, whether or not as a result of the fault or negligence of the owner of the unit, the owner of the unit shall be responsible for paying the deductible amount with respect to any claim made under the Association's master property damage insurance policy, up to the maximum amount permitted by the Maryland Condominium Act and such amount may be assessed against the unit as part for the lien for assessments. Any portion of the deductible amount in excess of the minimum permitted by the Maryland Condominium Act to be charged to the unit owner shall be a common expense.

This subsection shall not be construed to relieve any unit owner from the responsibility for paying the cost of unit maintenance and repair or from liability arising from the owner's failure to maintain or repair the owner's unit.

This subsection shall not be construed to limit any party's liability to the Association or to any unit owner for such party's wrongful or negligent acts or omissions, nor to limit any right of the Association or of any unit owner to seek reimbursement of any deductible amount paid under this subsection from a party whose wrongful or negligent acts or omissions caused the damage for which the insurance claim was submitted as permitted in these By-Laws or otherwise.

MARYLAND MUTUAL NO. THIRTEEN, INC.

CERTIFICATE AND REPORT
OF
INSPECTORS OF ELECTION

The undersigned, duly appointed Inspectors of Election of Maryland Mutual No. Thirteen, Inc., hereby certify as follows:

- (A) The Special Meeting of the Corporation was held on the 7th day of November, 2001
- (B) That before entering upon the discharge of our duties we were severally sworn, and the oath so taken by us is annexed hereto.
- (C) That we inspected the ballots used at the meeting, and found the same to be in proper order.
- (D) That members representing at least 66 2/3 percent of the total value of the project were registered by the mail ballot.
- (E) That we received the votes by the members by ballot for amendment of the Bylaws and that the amendment received affirmative votes representing 68% of the total value of the project.

Karen Kodjanian
Inspector of Election

Melissa Pelaez
Inspector of Election

MARYLAND MUTUAL NO. THIRTEEN, INC.

OATH OF INSPECTORS OF ELECTION

STATE OF MARYLAND)
)SS
COUNTY OF MONTGOMERY

The undersigned, duly appointed Inspectors of Election of Maryland Mutual No. Thirteen, Inc., being severally and duly sworn, do solemnly swear that we will fairly and impartially perform our duties as Inspectors of Election for the Special Meeting held on November 7th, 2001, for amendment of the Bylaws, and will faithfully and diligently canvass the votes cast at such meeting and honestly and truthfully report the results of said vote.

Karen Kodjanian
Inspector of Election

Melissa Pelaez
Inspector of Election

SUBSCRIBED AND SWORN to before me on this 9th day of November, 2001.

Notary Public

Elizabeth A. L'Heureux

My Commission Expires: 8-1-05

MARYLAND MUTUAL NO. THIRTEEN, INC.

REPORT OF INSPECTORS OF ELECTION

The undersigned, duly appointed and qualified inspectors of Election for the Special Meeting of members of Maryland Mutual No. Thirteen, Inc., held on November 7, 2001, hereby certify that there are registered a total of 73 memberships of said Corporation, and that the same represent 70% of the total of the project known as Maryland Mutual No. Thirteen, Inc.

Present in Person and by Proxy 70%

WITNESS out hands the year and day first above written.

Karen Kodjanian
Inspector of Election

Melissa Pelaez
Inspector of Election

RETURN TO:

LEISURE WORLD OF MD CORP.
3701 ROSSMOOR BLVD.
SILVER SPRING, MD 20906
ATT: EA L'HEUREUX

LIBER 23306 FOLIO 524

CERTIFICATE OF CORRECTIVE AMENDMENT

OF BYLAWS

MARYLAND MUTUAL NO. THIRTEEN, INC.

January 27, 2003

This is to certify that the Bylaws of Maryland Mutual No. Thirteen, Inc., referred to in that Master Deed made by Rossmoor Construction Corporation, Inc., recorded among the Land Records of Montgomery County, Maryland, in Liber 4529 at Folio 209, et seq., (said Bylaws being attached to said Master Deed as "Exhibit B") are hereby amended to correct an error in the amendment approved by the membership on the 7th day of November 2001; and that the corrective copy of the corrective amendment; and that attached hereto as "Exhibit 2" is a certificate from the officers of the Board to verify the corrective amendment.

In witness whereof we hereunto set our hands and seals this 18th day of March, 2003.

Antonio Marotta, President
Maryland Mutual No. 13, Inc.

Jean M. Donaldson, Secretary
Maryland Mutual No. 13, Inc.

I.D. No. 00515486

LIBER 23306 FOLIO 525

Article XIV, Section 5 is amended by replacing the word "minimum" with "maximum" in the last sentence of the second paragraph as follows"

"Any portion of the deductible amount in excess of the maximum permitted by the Maryland Condominium Act to be charged to the unit owner shall be a common expense."

EXHIBIT 2

THIS IS TO CERTIFY that the foregoing corrective amendment to the Bylaws of Maryland Mutual No. Thirteen, Inc., is approved by the Board of Directors and that the attached is a true copy of the new amendment.

Antonio Marotta, President

ATTEST:

Billie Saunders, Vice President

This section conforms to Title 11-113 of the Condominium Act. the failure of the unit owners association (Board of Directors) to enforce a provision of this title, the declaration or bylaws on any occasion is not a waiver of the right to enforce the provision on any other occasion.

THIS IS TO CERTIFY THAT the foregoing corrective amendment was published to the unit owners of record, by direct mail, on 1-28-03, at least 30-days prior to the recordation of this document.

ATTEST:

Antonio Marotta, President

Billie Saunders, Vice President

Article XIV of the By-Laws of Maryland Mutual No. Thirteen, Inc. is amended by adding at the end thereof the following new section:

Section 5. Damage Originating from Unit. (Insurance Deductible)

The deductible, if any, on any master property damage insurance claim shall be a common expense, subject to the provisions of this subsection

If the cause of any casualty damage originates in a unit, whether or not as a result of the fault or negligence of the owner of the unit, the owner of the unit shall be responsible for paying the deductible among with respect to any claim made under the Association's master property damage insurance policy, up to the maximum amount permitted by the Maryland Condominium Act and such amount may be assessed against the unit as part of the lien for assessments. Any portion of the deductible amount in excess of the maximum permitted by the Maryland Condominium Act to be charged to the unit owner shall be a common expense.

This subsection shall not be construed to relieve any unit owner from the responsibility for paying the cost of unit maintenance and repair or from liability arising from the owner's failure to maintain or repair the owner's unit.

This subsection shall not be construed to limit any party's liability to the Association or to any unit owner for such party's wrongful or negligent acts or omissions, nor to limit any right of the Association or of any unit owner to seek reimbursement of any deductible amount paid under this subsection from a party whose wrongful or negligent acts or omissions caused the damage for which the insurance claim was submitted as permitted in these By-Laws or otherwise.

STATE OF MARYLAND)
)SS:
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on this 18th day of March, 2003, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Mr. Antonio Marotta, who made oath in due form of law that he executed in his capacity as President of Maryland Mutual No. Thirteen the foregoing document (Certificate of Corrective Amendment to the Bylaws of said Corporation) for the purposes therein contained and acknowledges this to be his act.

WITNESS my hand and notarial seal.

Elizabeth A. L'Heureux
Notary Public

My Commission Expires: 8-1-05

STATE OF MARYLAND)
)SS:
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on this 18th day of March, 2003, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Mrs. Billie Saunders, who made oath in due form of law that she executed in her capacity as Vice President of Maryland Mutual No. Thirteen the foregoing document (Certificate of Corrective Amendment to the Bylaws of said Corporation) for the purposes therein contained and acknowledges this to be her act.

WITNESS my hand and notarial seal.

Elizabeth A. L'Heureux
Notary Public

My Commission Expires: 8-1-05