

LIBER 6410 FOLIO 565

Exhibit B
to the Declaration

BYLAWS

OF

THE GREENS AT LEISURE WORLD

A CONDOMINIUM

UNIT OWNERS ASSOCIATION

(MUTUAL 20-A)

TABLE OF CONTENTS

Liber 6410
Folio 566

<u>Article Number</u>	<u>Section Number</u>	<u>Page Number</u>
1	<u>General Provisions</u>	
	1.1 Applicability	1
	1.2 Office	1
	1.3 Definitions	1
2	<u>Unit Owners Association</u>	
	2.1 Composition	3
	2.2 Annual Meetings	3
	2.3 Place of Meetings	3
	2.4 Special Meetings	4
	2.5 Notice of Meetings	4
	2.6 Quorum and Adjournment of Meetings	4
	2.7 Order of Business	4
	2.8 Conduct of Meetings	5
	2.9 Voting	5
	2.10 Proxies	6
3	<u>Board of Directors</u>	
	3.1 Powers and Duties	6
	3.2 Managing Agent	8
	3.3 Number and Term of Office	10
	3.4 Election of Directors	11
	3.5 Removal or Resignation of Directors	12
	3.6 Vacancies	12
	3.7 Organization Meeting	12
	3.8 Regular Meetings	12
	3.9 Special Meetings	12
	3.10 Waiver of Notice	13
	3.11 Quorum of Board of Directors	13
	3.12 Compensation	13
	3.13 Conduct of Meetings	13
	3.14 Action Without Meeting	13
	3.15 Board of Directors as Attorney-in-Fact	13
	3.16 Liability of the Board of Directors, Officers Unit Owners and Unit Owners Association	14
	3.17 Common or Interested Directors	15
	3.18 Covenants Committee	16
4	<u>Officers</u>	
	4.1 Designation	16
	4.2 Election of Officers	17
	4.3 Removal of Officers	17
	4.4 President	17
	4.5 Vice President	17
	4.6 Secretary	17
	4.7 Treasurer	17
	4.8 Execution of Documents	17
	4.9 Compensation of Officers	18
5	<u>Operation of the Property</u>	
	5.1 Determination of Common Expenses and Assessments Against Unit Owners	18
	5.2 Payment of Common Expenses	20

Liber 6410
Folio 567

<u>Article Number</u>	<u>Section Number</u>	<u>Page Number</u>
	5.3 Collection of Assessments	21
	5.4 Statement of Common Expenses	21
	5.5 Maintenance, Repair, Replacement and Other Common Expenses	21
	5.6 Additions, Alterations, or Improvements by the Board of Directors	22
	5.7 Additions, Alterations, or Improvements by the Unit Owners	23
	5.8 Restrictions on Use of Units; Rules and Regulations	23
	5.9 Right of Access	27
	5.10 Utility Charges; User Fees	27
	5.11 Parking Spaces	27
	5.12 Storage, Disclaimer of Bailee Liability	28
6	<u>Insurance</u>	
	6.1 Authority to Purchase, Notice	28
	6.2 Physical Damage Insurance	29
	6.3 Liability Insurance	30
	6.4 Other Insurance	31
	6.5 Separate Insurance	32
	6.6 Insurance Trustee	32
7	<u>Repair and Reconstruction After Fire or Other Casualty</u>	
	7.1 When Repair and Reconstruction are Required	32
	7.2 Procedure for Reconstruction and Repair	32
	7.3 Disbursements of Construction Funds	33
	7.4 When Reconstruction is Not Required	34
8	<u>Mortgages</u>	
	8.1 Notice to Board of Directors	34
	8.2 Notice of Default, Casualty or Condemnation	35
	8.3 Notice of Amendment of Declaration or Bylaws	35
	8.4 Notice of Change in Managing Agent	35
	8.5 Other Rights of Mortgagees	35
9	<u>Compliance and Default</u>	
	9.1 Relief	35
	9.2 Lien for Assessments	37
	9.3 Supplemental Enforcement of the Lien	38
	9.4 Subordination and Mortgage Protection	38
10	<u>Amendments to Bylaws</u>	
	10.1 Amendments	38
11	<u>Miscellaneous</u>	
	11.1 Notices	39
	11.2 Captions	39
	11.3 Gender	39
	11.4 Construction	39

Liber 641
Folio 56

ARTICLE 1General Provisions

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

Section 1.2 Office. The office of the Condominium, the Unit Owners Association, and the Board of Directors shall be located at the Property or at such other place as may be designated from time to time by the Board of Directors. The mailing address of the Unit Owners Association is 15101 Interlachen Drive, Silver Spring, Maryland, 20906.

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

- (a) "Board of Directors" or "Board" means the executive organ established pursuant to Article 3 of these Bylaws.
- (b) "Common Element Interest" means the number assigned to each unit by Exhibit C to the Declaration which established each unit's undivided interest in the common elements, common expenses and common profits and votes in the Unit Owners Association.
- (c) "Condominium Instruments" shall be a collective term referring to the Declaration, Bylaws, and Plats and Plans, recorded pursuant to the Condominium Act. Any exhibit, schedule or certification accompanying a condominium instrument and recorded simultaneously therewith shall be deemed an integral part of that condominium instrument. Any amendment or certification of any condominium instrument shall, from the time of the recordation of such amendment or certification, be deemed an integral part of the affected condominium instrument.
- (d) "Declarant Control Period" means the period prior to the date on which units to which seventy-five percent or more of the aggregate Common Element Interests in the entire Condominium, as fully expanded in accordance with the rights reserved in the Declaration, appertain have been conveyed to unit owners other than the Declarant or five years after the first conveyance of a condominium unit to a unit owner other than the Declarant, whichever comes first.

- (e) "Leisure World of Maryland Trust" means the trust responsible for the maintenance, operation and control of various facilities within the Rossmoor Community pursuant to a Trust Agreement recorded on March 15, 1966 at Liber 3479, Folio 396 among the land records of Montgomery County, Maryland, and any amendments thereto.
- (f) "Limited Common Expenses" means expenses separately assessed against more than one but less than all of the condominium unit generally in accordance with the use of the services.
- (g) "Majority Vote" means a vote by those unit owners owning condominium units to which more than fifty percent of the aggregate Common Element Interest actually voted in person or by proxy at a duly convened meeting at which a quorum is present. Any specified percentage vote of the unit owners means a vote by the unit owners owning condominium units to which such percentage of Common Element Interests appertain with respect to the total Common Element Interests voting at such meeting. Any specified percentage vote of the Mortgagees means a vote by the Mortgagees of condominium units to which such percentage of the total number of votes appertain.
- (h) "Mortgagee" means an institutional lender (one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds, or business trusts including but not limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction, or improvement of real estate, or any assignee of loans made by such lender, or any combination of any of the foregoing entities) holding a first mortgage or first deed of trust ("Mortgagee") encumbering a condominium unit in the Condominium. For purposes of Article 8 of these Bylaws and Article 11 of the Declaration only, when any right is to be given to a Mortgagee, the Board of Directors shall also give such right to the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity participating in purchasing or guarantying Mortgages if the Board has notice of such participation.
- (i) "Officer" means any person holding office pursuant to Article 4 of these Bylaws, but shall not mean members of the Board of Directors unless such directors are also officers pursuant to Article 4.
- (j) "Plats and Plans" means the documents attached as Exhibits D and E, respectively, to the Declaration, which show the location of the buildings and improvements on the land, the location of the units in the buildings and the elevations of the unit boundaries. The Plats and Plans are also recorded separately among the land records of Montgomery County, Maryland and constitute the Condominium Plat, pursuant to section 11-105 of the Condominium Act.

Liber 641
Folio 57

- (k) "Reserved Common Element" means a common element in which the Board of Directors has granted a revocable license for exclusive use by less than all of the unit owners.
- (l) "Rossmoor Community" means the planned community in Montgomery County, Maryland, in which the Condominium is located, which consists of various housing developments and certain common facilities controlled and maintained pursuant to the Leisure World of Maryland Trust.
- (m) "Unit Owners Association" or "Association" means the unincorporated, non-profit association of all the unit owners owning condominium units in the Condominium. "Unit Owners Association" or "Association" shall have the same meaning as "Council of Unit Owners", as defined in the Condominium Act.

ARTICLE 2

Unit Owners Association

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

Liber 6410
Folio 572

Section 2.2 Annual Meetings. The annual meetings of the Association shall be held on weekdays at least forty-five days before the beginning of each fiscal year. At such annual meetings the Board of Directors shall be elected by ballot of the unit owners in accordance with the requirements of Section 3.4 of these Bylaws. During the Declarant Control Period, the Declarant shall be entitled to designate members of the Board of Directors not elected pursuant to Section 2.4 of these Bylaws.

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

Section 2.4 Special Meetings.

- (a) The President shall call a special meeting of the Unit Owners Association if so directed by resolution of the Board of Directors or, after the termination of the Declarant Control Period, upon a petition signed and presented to the Secretary by unit owners of not less than twenty-five percent of the aggregate Common Element Interests. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.
- (b) Not later than sixty days after units to which fifty percent of the Common Element Interests appertain have been conveyed to unit owners other than the Declarant, a special meeting of the Association shall be held at which directors shall be elected by the unit owners, including the Declarant if the Declarant owns any units, to serve out the remaining terms of the directors designated by the Declarant as provided in Section 3.3 of the Bylaws.

Section 2.5 Notice of Meetings. The Secretary shall mail to each unit owner a notice of each annual or regularly scheduled meeting of the unit owners at least fifteen but not more than thirty days, and of each special meeting of the unit owners at least fifteen but not more than thirty days, prior to such meeting, stating the time, place and purpose thereof. The giving of a notice of meeting in the manner provided in this section and Section 11.1 of the Bylaws shall be considered service of notice. Liber 6410 Folio 573

Section 2.6 Quorum and Adjournment of Meetings. Except as otherwise provided in these Bylaws, the presence in person or by proxy of twenty-five percent or more of the unit owners shall constitute a quorum at all meetings of the Unit Owners Association. If at any meeting of the Unit Owners Association a quorum is not present, unit owners of a majority of the Common Element Interests who are present at such meeting in person or by proxy may adjourn the meeting to a time not less than fifteen days after the time the original meeting was called, and shall comply with section 5-206 of the Corporations and Associations Article, Annotated Code of Maryland (1975 Vol.).

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

Section 2.8 Conduct of Meetings The President shall preside over all meetings of the Unit Owners Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting. The President may appoint a person to serve as parliamentarian at any meeting of the Unit Owners Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Unit Owners Association when not in conflict with the Condominium Act or the condominium instruments. All votes shall be tallied by tellers appointed by the President or other officer presiding over the meeting.

Section 2.9. Voting

- (a) Voting at all meetings of the Unit Owners Association shall be on a percentage basis and the percentage of the vote to which each unit owner is entitled shall be the Common Element Interest assigned to such unit owner's unit in the Declaration. Where the ownership of a unit is in more than one person, the person who shall be entitled to cast the vote of such unit shall be the person named in a certificate executed by all of the owners of such unit and filed with the Secretary or, in the absence of such named person from the meeting, the person who shall be entitled to cast the vote of such unit shall be the person owning such unit who is present. If more than one person owning such unit is present, then such vote shall be cast in accordance with their unanimous agreement, or as provided in Section 2-508(c) of the Corporations and Associations Article of the Annotated Code of Maryland (1975 vol.). Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Wherever the approval or disapproval of a unit owner is required by the Condominium Act or the condominium instruments, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such unit at any meeting of the Unit Owners Association. There shall be no cumulative voting. Liber 6410 Folio 574
- (b) During the Declarant Control Period, except where a greater number is required by the Condominium Act or required by the Condominium Act or the condominium instruments, a seventy-five percent vote is required to elect or remove directors or adopt decisions at any meeting of the Unit Owners Association in accordance with Section 11-109(c) (6) of the Condominium Act. If a candidate for the Board of Directors does not receive such a seventy-five percent vote, the incumbent director shall continue to serve until replaced in accordance with these Bylaws. After the termination of the Declarant Control Period, except where a greater number is required by the Condominium Act or the condominium instruments, a Majority Vote is required to elect or remove directors or adopt decisions at any meeting of the Unit Owners Association. If the Declarant owns or holds title to one or more units, the Declarant shall have the right at any meeting of the Unit Owners Association to cast the votes to which such unit or units are entitled. This Section of the Bylaws may be amended only by a vote of unit owners owning condominium units to which not less than seventy-five percent of the aggregate Common Element Interests appertain.

- (c) No unit owner may vote at any meeting of the Unit Owners Association or be elected to or serve on the Board of Directors if payment of the assessment of the unit is delinquent more than sixty days, the amount necessary to bring the account current has not been paid at the time of such meeting or election and a lien has been recorded in accordance with section 11-104(d) of the Condominium Act.

Section 2.10. Proxies. A vote may be cast in person or by proxy. Such proxy may be granted by any unit owner in favor of only another unit owner, the Declarant or such unit owner's Mortgagee, or in the case of a non-resident unit owner, the lessee of such unit owner's unit, or such unit owner's attorney or management agent. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from any of the persons owning such unit. Except with respect to proxies in favor of a lessee, no proxy shall in any event be valid for a period in excess of one hundred and eighty days after the execution thereof. Uninstructed proxies shall be valid only for such purposes as are permitted by Section 11-109 of the Condominium act. Liber 6410 Folio 575

ARTICLE 3

Board of Directors

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

- (a) Prepare and adopt an annual budget, in which there shall be expressed the assessments of each unit owner for the common expenses.
- (b) Make assessments against unit owners to defray the costs and expenses of the Condominium, establish the means and methods of collecting such assessments from the units owners and establish the period of the installment payment of the annual assessment for common expenses.
- (c) Provide for the operation, care, upkeep and maintenance of all of the Property and services of the Condominium.

- (d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement fo the common elements and provide services for the Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property. Liber 6 Folio
- (e) Collect the assessments against the unit owners including Community Facilities Fees, deposit the proceeds thereof in bank depositories designated by the Board of Directors and use the proceeds to carry out the administration of the Property in accordance with the Condominium Instruments and the governing documents of the Leisure World of Maryland Trust.
- (f) Make and amend the rules and regulations in accordance with section 5.8(b) hereof.
- (g) Open bank accounts on behalf of the Unit Owners Association and designate the signatories thereon.
- (h) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Property, and repairs to and restoration of the Property, in accordance with these Bylaws, after damage or destruction by fire or other casualty, or a a result of condemnation or eminent domain proceedings.
- (i) Enforce by legal means the provisions of the Declaration, these Bylaws and the rules and regulations, act on behalf of the unit owners with respect to all matters arising out of any eminent domain proceeding, and notify the unit owners of any litigation against the Unit Owners Association involving a claim in excess of ten percent of the amount of the annual budget.
- (j) Obtain and carry insurance against casualties and liabilities, as provided in Article 6 of these Bylaws, pay the premiums therefor and adjust and settle any claims thereunder.
- (k) Pay the cost of all authorized services rendered to the Unit Owners Association and not billed to unit owners of individual units or otherwise provided for in Sections 5.1 and 5.2 of the Bylaws.
- (l) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium, specifying the expenses of maintenance and repair of the common elements and any other expenses incurred. Such books and vouchers accrediting the entries therein shall be available for examination by the unit owners, their attorneys, accountants, Mortgagees and authorized agents during general business hours on business days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the unit owners. All books and records shall be kept in accordance with generally accepted accounting principles, and the same shall be audited at least once each year by an independent auditor retained by the Board of Directors who shall not be a resident of the Condominium or a unit owner. The cost of such a audit shall be a common expense. Liber 6410 Folio 577

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

(n) Borrow money on behalf of the Condominium when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the common elements, provided, however, that (except during the Declarant Control Period) the consent of at least two-thirds in number and in Common Element Interest of all unit owners, obtained either in writing or at a meeting duly called and held for such purpose in accordance with the provisions of the Bylaws, shall be required to borrow any sum in excess of one percent of the total annual assessment for common expenses for that fiscal year. If any sum borrowed by the Board of Directors on behalf of the condominium pursuant to the authority contained in this subsection (n) is not repaid by the Unit Owners Association, a unit owner who pays to the creditor a percentage of the total amount due equal to such unit owner's Common Element Interest in the Condominium shall be entitled to obtain from such creditor a release of any judgment or other lien which such creditor shall have filed or shall have the right to file against such unit owner's condominium unit, and the Association shall not be entitled to assess the unit for payment of the remaining amount due such creditor.

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

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

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

(r) Grant and accept easements and licenses pursuant to Section 11-109 of the Condominium Act.

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

Liber 6410
Folio 578

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

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

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

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

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

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

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

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

Liber 6410
Folio 579

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

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

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

- (B) an "account activity statement" reflecting all receipt and disbursement activity for the preceding month on a cash basis;
- (C) an "account status report" reflecting the status of all accounts on an "actual" versus "projected" (budget) format;
- (D) a "balance sheet" reflecting the financial condition of the Unit Owners Association on an unaudited basis;
- (E) a "budget report" reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent of a major budget category (as distinct from a specific line item in an expanded chart of accounts); and
- (F) a "delinquency report" listing all unit owners who are delinquent in paying condominium assessments and describing the status of any actions to collect such assessments.
- (d) Limitations. During the Declarant Control Period, the Board of Directors shall employ a managing agent for a term not to exceed one year. The Unit Owners Association and the Board of Directors shall not undertake "self-management" or fail to employ a managing agent without the consent of at least sixty-seven percent of the unit owners and at least fifty-one percent of the Mortgagees. Any contract with the managing agent must provide that it may be terminated, without payment of a termination fee, without cause on no more than ninety days written notice and with cause on no more than thirty days written notice. Further, pursuant to section 11-133 of the Condominium Act, any contract or lease entered into during the Declarant Control Period may be terminated by the Association with or without cause on thirty days written notice during a period running for three years after the end of the Declarant Control Period.

Section 3.3. Number and Term of Office

Liber 6410
Folio 580

- (a) Designated Members. The initial Board of Directors shall consist of no less than three nor more than nine persons, all of whom shall be designated by the Declarant. The term of office of at least two directors shall expire at the third annual meeting; the term of office of up to three additional directors shall expire at the second annual meeting; and the term of office of any other directors shall expire at the first annual meeting. The term of each designee shall be fixed by the Declarant. At the expiration of the term of office of all directors designated by the Declarant or elected at the special meeting held pursuant to subsection 2.4(b), all successor directors shall be elected to serve for terms of three years.
- (b) Elected Members. No later than the first annual meeting of the Unit Owners Association, the Board of Directors shall be composed of nine persons, all of whom shall be unit owners, Mortgagees (or designees of Mortgagees), or designees of the Declarant. Except for resignation or removal, the directors shall hold office until their respective successors shall have been elected by the Unit Owners Association.

Section 3.4. Election of Directors.

- (a) Elections Committee. At least ninety days prior to the special meeting required by subsections 2.4(b) and each annual meeting of the Unit Owners Association, the Board of Directors shall appoint an Elections Committee consisting of a member of the Board whose term is not then expiring and at least three other unit owners. The Elections Committee shall develop elections procedures and administer such procedures as are approved by the Board.
- (b) Nominations. Persons qualified to be directors may be nominated for election only by a nominating petition submitted to the chairman of the Elections Committee at least fifteen days before the mailing of the notice of the meeting at which the election is to be held signed by persons owning fee simple interest in at least twenty units and either signed by the nominee or accompanied by a document signed by the nominee indicating the willingness to serve as a director; provided, however, that additional nominations may be made from the floor at the meeting at which the election is held for each vacancy on the Board of Directors for which no more than one person has been nominated by petition. The nominee must either be present and consent to the nomination or have indicated in writing the willingness to serve. This subsection (b) does not apply to persons appointed by the Board by the Declarant.
- (c) Qualifications. No person shall be eligible for election as a member of the Board of Directors unless such person is (alone or together with one or more other persons) a unit owner. No person shall be elected as a director or continue to serve as a director if such person is more than sixty days delinquent in meeting financial obligations to the Unit Owners Association and a lien has been filed against such person's unit. Liber 6410 Folio 581
- (d) Ward System. If the Board of Directors so resolve, some or all of the directors shall be elected based on a ward system, with two or more directors elected at large, in which case each successor to any director chosen from a particular ward must be the unit owner of a unit within that particular ward must be the unit owner of a unit within that same ward. No unit owner may seek election in any one year from more than one ward. Each ward shall be designated on a map of the Condominium by the Board of Directors, such map to be maintained by the Secretary. Each ward shall have substantially similar voting strength and shall elect one director from among the unit owners of units in that ward. Ward boundaries shall initially be fixed by the Board of Directors and may thereafter be changed only by a Majority Vote.

Section 3.5. Removal or Resignation of Directors. Except as provided in Section 2.9 of these Bylaws, at any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by a Majority Vote and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the unit owners shall be given at least seven days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A director may resign at any time and, except for a director designated by the Declarant, shall be deemed to have resigned upon disposition of such director's unit, or if not in attendance at three consecutive regular meetings of the Board, unless the minutes reflect consent to such absence.

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

Section 3.7. Organization Meeting. The first meeting of the Board of Directors following the annual meeting of the Unit Owners Association shall be held within thirty days thereafter at such time and place as shall be fixed by the Association at the meeting at which such Board of Directors shall have been elected. No notice shall be necessary to the newly-elected directors in order to legally constitute such meeting if a majority of the entire Board of Directors is present at the meeting. Liber 641C Folio 582

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

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

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

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

Liber 6410
Folio 583

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

Section 3.13. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of the Board recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Condominium Act or the condominium instruments.

Section 3.14. 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 directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 3.15. Board of Directors as Attorney-In-Fact. The Board of Directors shall have the power to act as agent and attorney-in-fact for the unit owners of all of the units and for each of them, to manage, control and deal with the interest of such unit owners in the common elements of the Condominium to permit the Board of Directors to fulfill all of its powers, rights, functions and duties. The Board of Directors shall have the power to act as agent and attorney-in-fact for each unit owner, each Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Condominium or the Property to (i) adjust and settle all claims arising under insurance policies purchased by the Board of Directors, in accordance with Section 11-114 of the Condominium Act, (ii) execute and deliver releases upon the payment of claims and (iii) act on their behalf in any condemnation proceeding or action of eminent domain pursuant to section 11-112 of the Condominium Act; provided, however, that the consent of a Mortgagee shall be required if such Mortgagee notifies the Board of Directors pursuant to

Section 11.1 of the Bylaws within thirty days after receipt of notice of the damage pursuant to subsection 6.2(c) of the Bylaws or notice of the taking in condemnation or by eminent domain pursuant to Section 8.2 of the Bylaws. The powers hereby granted shall be in addition to any rights granted by section 11-109 of the Condominium Act. The Board of Directors may grant and accept easements and licenses pursuant to section 11-109 of the Condominium Act.

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

Liber 6410
Folio 584

- (a) The officers, directors and members of the Covenants Committee shall not be liable to the Unit Owners Association or any unit owner for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners Association shall indemnify and hold harmless each of the Officers and directors from and against all contractual liability to others arising out of contracts made by the Officers or the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Act or the condominium instruments, except to the extent that such liability is satisfied by directors and officers liability insurance. Officers and directors shall have no personal liability with respect to any contract made by them on behalf of the Unit Owners Association. The liability of any unit owner arising out of any contract made by the Officers or Board of Directors, or out of the indemnification of the Officers or directors, or for damages as a result of injuries arising in connection with the common elements solely by virtue of ownership of a Common Element Interest therein or for liabilities incurred by the Unit Owners Association, shall be limited to the total liability multiplied by such unit owner's Common Element Interest. Every agreement made by the Officers, the Board of Directors or the managing agent on behalf of the Unit Owners Association shall, if obtainable, provide that the Officers, the directors or the managing agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder (except as unit owners), and that each unit owner's liability thereunder shall be limited to the total liability thereunder multiplied by such unit owner's Common Element Interest. The Unit Owners Association shall indemnify and hold harmless each of the members of the Covenants Committee from and against all liability ~~to others arising out of the due exercise of their responsibilities~~ unless their action shall have been taken in bad faith or contrary to the provisions of the Condominium Act or the condominium instruments. The Unit Owners Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such person is or was an Officer or director of the Association or a member of the Covenants Committee against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Condominium, in accordance with Section 2-418 of the Corporations and Associations Articles of the Annotated Code of Maryland (1975 vol.).

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

Liber 6410
Folio 585

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

- (a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes and the Board by vote of a majority of disinterested directors authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or
- (b) The fact of the common directorate or interest is disclosed or known to at least a majority of the unit owners, and the unit owners approve or ratify the contract or transaction in good faith by vote sufficient for the purpose; or
- (c) The contract or transaction is commercially reasonable to the Unit Owners Association at the time it is authorized, ratified, approved or executed.

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

Liber 6410
Folio 586

Section 3.18. Covenants Committee.

- (a) Purpose. The Board of Directors shall establish a Covenants Committee, consisting of three or five members appointed by the Board, each to serve for a term of one year, in order to assure that the Condominium shall always be maintained in a manner: (1) providing for visual harmony and soundness of repair; (2) avoiding activities deleterious to the esthetic or property values of the Condominium; (3) furthering the comfort of the unit owners, their guests and tenants; and (4) promoting the general welfare and safety of the Condominium community.
- (b) Powers. The Covenants Committee shall regulate the external design, appearance, use and maintenance of the common elements. The Covenants Committee shall have the power to impose reasonable application fees as well as the costs of reports, analysis, or consultations required in connection with improvements or charges proposed by a unit owner. The Covenants Committee shall have the power to impose reasonable fines (pursuant to subsection 9.1(g) hereof) upon, and issue a cease and desist request to, a unit owner, his guests, invitees, or lessees whose actions are inconsistent with the provisions of the Condominium Act, the condominium instruments, the Rules and Regulations or resolutions of the Board of Directors (upon petition of any unit owner or upon its own motion). The Covenants Committee shall from time to time, as required, provide interpretations of the condominium instruments, Rules and Regulations and resolutions pursuant to the intents, provisions, and qualifications thereof when requested to do so by a unit owner or the Board of Directors. Any action, ruling or decision of the Covenants Committee may be appealed to the Board of Directors by any party deemed by the Board to have standing as an aggrieved party and the Board may modify or reverse any such action, ruling or decision.
- (c) Authority. The Covenants Committee shall have such additional duties, power and authority as the Board of Directors may from time to time provide by resolution. The Board of Directors may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case-by-case basis. The Covenants Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Rules and Regulations or by resolution of the Board of Directors. Liber 6410 Folio 587

ARTICLE 4

Officers

Section 4.1. Designation. The principal Officers of the Unit Owners Association shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other Officers as in its judgment may be necessary. The President and Vice President shall be residents of the Condominium (except for those appointed by the Declarant) and members of the Board of Directors. Any other Officers may, but need not, be unit owners or directors.

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

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

Section 4.4. President. The President shall: be the chief executive officer of the Unit Owners Association; preside at all meetings of the Association and of the Board of Directors; have general and active management of the business of the Association subject to the control of the Board; see that all orders and resolutions of the Board are carried into effect; and appoint committees from among the unit owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4.5. Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other director to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or by the President. Liber 6410 Folio 588

Section 4.6. Secretary. The Secretary shall: keep the minutes of all meetings of the Unit Owners Association and of the Board of Directors; have charge of such books and papers as the Board may direct; give or cause to be given all notices required to be given by the Association; maintain a register setting forth the place to which all notices to unit owners and Mortgagees hereunder shall be delivered; and, in general, perform all the duties incident to the office of secretary.

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

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

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

ARTICLE 5

Liber 6410

Folio 589

Operation of the Property

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

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

(b) Preparation and Approval of Budget.

- (1) At least thirty days before the beginning of each fiscal year, at an open meeting held in accordance with Section 11-109.2 of the Condominium Act, the Board of Directors shall adopt a budget for the Unit Owners Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the common elements and those parts of the units as to which it is the responsibility of the Association to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be common expenses by the Condominium Act, the condominium instruments or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the unit owners of all related services. The budget shall reflect the separate assessment of Limited Common Expenses. Amended 4/15/87
- (2) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. At least thirty days before the adoption of the budget as provided in Section 5.1(b)(1) hereof, the Board of Directors shall send to each unit owner a copy of the proposed budget in a reasonably itemized form, containing at least those items required by Section 11-109.2 of the Condominium Act, which sets forth the amount of the common expenses and any special assessment payable by each unit owner. The budget as adopted shall constitute the basis for determining each unit owner's assessment for the common expenses of the Condominium.

- (c) Assessment and Payment of Common Expenses. Subject to the provisions of subsection 9.1(a) hereof, the total amount of the estimated funds required from assessments for the operation of the Property set forth in the budget adopted by the Board of Directors shall be assessed against each unit owner in proportion to his respective Common Element Interest, except for Limited Common Expenses which shall be assessed against each unit owner benefited in proportion to the relative Common Element Interest of such units inter se, and shall be a lien against each unit owner's unit as provided in Section 9.2 of these Bylaws. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven months in such fiscal year, each unit owner shall be obligated to pay to the Board of Directors or the managing agent (as determined by the Board, one-twelfth of such assessment. Within ninety days after the end of each fiscal year, the Board of Directors shall supply to all unit owners, and to each Mortgagee requesting the same, an itemized accounting of the common expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Board of Directors, be placed in reserve accounts, be placed in a special account to be expended solely for the general welfare of the unit owners, or be credited according to such unit owner's Common Element Interest to the next monthly installments due from unit owners under the current fiscal year's budget, until exhausted. Any net shortage shall be assessed promptly against the unit owners in accordance with their Common Element Interest and shall be payable either: (1) in full with payment of the next monthly assessment due; or (2) in not more than six equal monthly installments, as the Board of Directors may determine. Liber 6410 Folio 590
- (d) Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Major repair or replacement of items or components for which there is a replacement reserve account shall be paid for from such account. If the reserves are inadequate for any reason, including non-payment of any unit owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the unit owners according to their respective Common Element Interests and which may be payable in a lump sum or in installments as the Board may determine. The Board of Directors shall serve notice of any such further assessment on unit owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten days after the delivery of such notice of further assessment. All unit owners so notified shall be obligated to pay the adjusted monthly amount, or, if such further assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien as of the effective date as set forth in subsection (c).

(e) Initial Capital Payment.

Liber 6410
Folio 591

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

(ii) The Declarant, as the agent of the Board of Directors, will collect from each initial purchaser at the time of settlement an "initial capital payment" equivalent to twice the estimated monthly assessment for common expenses and limited common element parking space charges, if any, for such purchaser's unit. The Declarant will deliver the funds so collected to the Board of Directors to provide the necessary working capital for the Unit Owners Association. Such funds may be used for certain prepaid items, initial equipment, supplies, organizational costs and other start-up costs, and for such other purposes as the Board of Directors may determine.

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

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

Section 5.2. Payment of Common Expenses. Each unit owner shall pay the common expenses, including Limited Common Expenses, assessed by the Board of Directors pursuant to the provisions of Section 5.1 hereof. No unit owner may be exempted from liability for the assessment for common expenses by reason of waiver or the use or enjoyment of any of the common elements or by abandonment of the unit. No unit owner shall be liable for the payment of any part of the common expenses assessed against the unit subsequent to the date of recordation of a conveyance by such unit owner in fee of such unit. Prior to or at the time of any such conveyance, all liens, unpaid charges and assessments shall be paid in full and discharged. The purchaser of a unit shall be jointly and severally liable with the selling unit owner for all unpaid assessments against the latter for the proportionate share of the common expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling unit owner amounts paid by the purchaser therefor; provided, however, that any such purchaser shall be

Liber 6410
Folio 592

entitled to a statement setting forth the amount of the unpaid assessments against the selling unit owner within twenty business days following a written request therefor to the Board of Directors or managing agent and such purchaser shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessment in excess of the amount therein set forth; and provided, further, that each Mortgagee who comes into possession of a condominium unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the condominium unit free of any claims for unpaid assessments or charges against such unit which accrue prior to the time such Mortgagee comes into possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all condominium units including the mortgaged condominium unit.

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

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

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

(a) By the Unit Owners Association. The Unit Owners Association shall be responsible for the maintenance, repair and replacement (unless, if in the opinion of not less than eighty percent of the Board of Directors such expense was necessitated by the negligence, misuse or neglect of a unit owner) of all of the common elements (including the limited common elements) as defined herein or in the Declaration, whether located inside or outside of the units, the cost of which shall be charged to all unit owners as a common expense; provided, however, that the Board of Directors may enter into agreements with other organizations within the Rossmoor Community, providing for maintenance and use of portions of the common elements; and provided, further, that each unit owner shall perform normal maintenance on the limited common elements appurtenant to such unit owner's unit and any portion of the remaining common elements which the Board of Directors pursuant to the Rules and Regulations has given such unit owner permission to utilize, including without limitation the items enumerated in subsection (b).

Liber 6410
Folio 593

(b) By the Unit Owner.

(1) Each unit owner shall keep the unit and its equipment, appliance and appurtenances in good order, condition and repair and in a clean and sanitary condition. In addition, each unit owner shall be responsible for all damage to any other units or to the common elements resulting from such unit owner's failure or negligence to make any of the repairs required by this Section. Each unit owner shall perform this responsibility in such manner as shall not unreasonably disturb or interfere with the other unit owners. Each unit owner shall promptly report to the Board of Directors or the managing agent any defect or need for repairs for which the Unit Owners Association is responsible.

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

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

(c) Chart of Maintenance Responsibilities. Notwithstanding the general provisions for maintenance set forth in subsections (a) and (b), specific maintenance responsibilities and the costs attributable thereto shall, to the extent set forth thereon, be determined pursuant to the Chart of Maintenance Responsibilities attached as Exhibit B hereto. Liber 641C Folio 594

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

Section 5.6. Additions, Alterations or Improvements by the Board of Directors. Except during the Declarant Control Period, whenever in the judgment of the Board of Directors the common elements shall require additions, alterations or improvements costing in excess of one percent of the total annual assessment for common expenses for that fiscal year during any period for twelve consecutive months, the making of such additions, alterations or improvements requires a Majority Vote, and the Board of Directors shall assess all unit owners benefited for the cost thereof as a common expense (or Limited Common Expense). Any additions, alterations or improvements costing one percent of the total annual

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

Section 5.7. Additions, Alterations or Improvements by the Unit Owners. No unit owner shall make any structural addition, alteration or improvement in or to the unit without the prior written consent of the Board of Directors or the Covenants Committee as appropriate. No unit owner shall paint or alter the exterior of the unit, including the doors and windows, nor shall any unit owner paint or alter the exterior of any building, without the prior written consent of the Board of Directors or the Covenants Committee as appropriate. The Board of Directors shall be obligated to answer any written request by a unit owner for approval of a proposed structural addition, alteration or improvement in such unit owner's unit within forty-five days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Directors or the Covenants Committee to the proposed structural addition, alteration or improvement. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement in or to any unit requires execution by the Unit Owners Association, and provided consent has been given by the Board of Directors, then the application shall be executed on behalf of the Association by an authorized Officer only, without however incurring any liability on the part of the Board of Directors, the Association or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having claim for injury to person or damage to property arising therefrom. Subject to the approval of any Mortgagee of such affected units, the Board of Directors and the unit owner affected, any unit may be subdivided or may be altered so as to relocate the boundaries between such unit and any adjoining units. The Secretary shall record any necessary amendment to the Declaration to effect such action as provided in section 11-107(d) of the Condominium Act. The provisions of this section shall not apply to units owned by the Declarant until deeds of conveyance of such units shall have been recorded; provided, however, that the Declarant's construction or alterations shall be architecturally compatible with existing units. The Declarant shall have the right to make such alterations or subdivisions without the consent of the Board of Directors, and an authorized Officer shall execute any such application required.

Liber 6410
Folio 595

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

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

- (1) Except for the areas of the Condominium designated for commercial and recreational use and except as provided in the Declaration, no unit shall be used for other than housing and the related common purposes for which the Property was designed. The Board of Directors may permit reasonable, temporary non-residential uses from time to time. Nothing in these Bylaws shall be construed to prohibit the Declarant from using any unit owned by the Declarant for promotional, marketing or display purposes or from using any appropriate portion of the common elements for settlement of sales of condominium units and for customer service purposes. Liber 6410 Folio 596
- (2) Nothing shall be done or kept in any unit or in the common elements which will increase the rate of insurance for the Property or any part thereof applicable for residential or commercial uses without the prior written consent of the Board of Directors. No unit owner shall permit anything to be done or kept in the unit or in the common elements which will result in the cancellation of insurance on the Property or any part thereof or which would be in violation of any law, regulation or administrative ruling. No waste will be committed on the common elements.
- (3) No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the unit owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property, and, if the latter, then the cost of such compliance shall be a common expense.
- (4) No unit owner shall obstruct any of the common elements nor shall any unit owner place or cause or permit anything to be placed on or in any of the common elements (except those areas designated for such storage by the condominium instruments or the Board of Directors) without the approval of the Board. Nothing shall be altered or constructed in or removed from the common elements except with the prior written consent of the Board of Directors or the Covenants Committee, as appropriate.
- (5) The common elements shall be used only for the furnishing of the services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the units. The lobbies, vestibules, public halls and stairways shall be used for no purpose other than for normal transit.

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

Liber 64-0
Folio 597

(7) Trailers, campers, recreational vehicles, boats and other large vehicles may be parked on the Property only if expressly permitted by the Rules and Regulations and only in such parking areas, if any, as may be designated for such purpose by the Board of Directors. Golf carts shall be parked in designated golf cart parking spaces only. No other vehicles may be parked in designated golf cart parking spaces. No junk or derelict vehicle or other vehicle on which current registration plates are not displayed shall be kept upon any of the common elements. Except in areas designated by the Board of Directors, vehicle repairs other than (i) emergency maintenance, (ii) ordinary light maintenance (excluding fluid changes and other work which might soil the common elements), and (iii) normal cleaning, are not permitted on the common elements.

(8) The maintenance, keeping, boarding and/or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, shall be and is prohibited within any unit or upon the common elements, except that the keeping of small, orderly domestic pets (e.g., dogs, cats or caged birds) not to exceed one per unit without the approval of the Board of Directors is permitted, subject to the Rules and Regulations adopted by the Board of Directors; provided, however, that such pets are not kept or maintained for commercial purposes or for breeding; and provided, further, that any such pet causing or creating a nuisance or unreasonable disturbance or noise may be permanently removed from the Property upon ten days written notice from the Board of Directors. Such pets shall not be permitted upon the common elements unless accompanied by an adult and unless carried or leashed. Any unit owner who keeps or maintains any

pet upon any portion of the Property shall be deemed to have Liber 6410 indemnified and agreed to hold the Unit Owners Association, each Folio 598 unit owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium. All pets shall be registered with the Board of Directors and shall otherwise be registered and inoculated as required by law. The Board of Directors may establish reasonable fees for registration of pets not to exceed the additional costs incurred by the Unit Owners Association resulting from the presence of such pets.

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

(10) Sufficient carpeting or rugs shall be maintained on a minimum of eighty percent of the floor surfaces (except kitchens, closets and bathrooms) in units located over other units to adequately reduce transmission of sound between units. Additional washers, dryers and other major appliances may not be installed in a unit without the prior written approval of the Covenants Committee.

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

(12) It is the intention of this association to provide housing for Amended older persons. Accordingly, occupancy of a unit by a person or 11/1/89 persons under 55 years of age shall be governed by rules established by the Board of Directors.

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

Section 5.9. Right of Access. By acceptance of the deed of conveyance, each unit owner thereby grants a right of access to the unit, as provided by section 11-125(e) of the Condominium Act and subsection 4.2(a) of the Declaration, to the Board of Directors or the managing agent, or any other person authorized by the Board or the managing agent, or any group of the foregoing, for the purpose of enabling the exercise and discharge of their respective powers and responsibilities, including without limitation making inspections, correcting any condition originating in the unit or in a common element to which access is obtained through the unit and threatening another unit or the common elements, performing installations, alterations or repairs to the mechanical or electrical systems or the common elements in the unit or elsewhere in the Property or to correct any condition which violates any Mortgage; provided, however, that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the unit owner. In case of any emergency, such right of entry shall be immediate, whether or not the unit owner is present. Liber 6410 Folio 599

Section 5.10. Utility Charges; User Fees. The cost of utilities serving the Condominium not individually metered to a unit shall be common expenses allocated pursuant to Section 5.1 hereof. The Board of Directors may impose reasonable user fees, whether or not designated as Limited Common Expenses, for the use of Reserved Common Elements or personal property of the Unit Owners Association or services.

Section 5.11. Parking Spaces. Each of the automobile and golf cart parking spaces located in the garage of the buildings and so designated on the Plats and Plans shall be subject to designation as limited common elements appurtenant to certain designated units pursuant to the reservation set forth in Article 3 of the Declaration. All other parking spaces shall be used by the unit owners for self-service parking purposes on a "first come, first served" basis, except as the Board of Directors may otherwise determine; provided, however, that no unit owner shall park on the common element parking spaces more than one vehicle (owned or leased by such unit owner, a member of such unit owner's family, an employee or a tenant leasing the unit) (excluding limited common element parking spaces) without the prior written consent of the Board of Directors. The cost of maintenance and repair of all parking areas shall be a common expense; provided, however, that to the extent permitted by law, the Board of Directors may impose a Limited Common Expense charge in the amount of one hundred twenty dollars per space per year, payable monthly, upon units to which a limited common element parking space is appurtenant. Such charge shall be increased in proportion to any increase in the total budget for common expenses from year to year. During the time that units are being sold by the Declarant, no more than 45 parking spaces may be restricted to the Declarant's use for sales purposes.

THE GREENS AT LEISURE WORLD, A CONDOMINIUM

AMENDMENT TO CONDOMINIUM BYLAWS

THIS AMENDMENT is made as of July 28, 2016, by The Greens at Leisure World, A Condominium Unit Owners Association ("Association").

RECITALS:

A. The Greens at Leisure World, A Condominium ("Condominium") was created by a Declaration and Bylaws ("Bylaws") recorded on May 29, 1984 in Liber 6410 at Folio 542 in the land records of Montgomery County, Maryland;

B. The Association has determined that the Bylaws require revision; and

C. At a meeting of the Association, the amendment to the Bylaws set forth herein was adopted by an affirmative vote of unit owners to whose units more than two-thirds of the ownership interests in the Condominium appertain, pursuant to Section 10.1 of the Bylaws, as amended, and Section 11-104(e) of the Maryland Condominium Act, Title 11, Md. Real Prop. Code Ann., as amended;

NOW, THEREFORE, pursuant to Section 11-104(e) of the Maryland Condominium Act, Title 11, Md. Real Prop. Code Ann., as amended and Article 10 of the Bylaws, the Bylaws are hereby amended as follows:

In Article 5, Subsection 5.8(a)(6) is hereby deleted in its entirety and the following is inserted in its place:

(6) Leasing and Occupancy of Units.

(a) Definitions

"Immediate Family" means spouse, domestic partner, parents, stepparents, grandparents, children, stepchildren, grandchildren, siblings and stepsiblings of a unit owner.

"Immediate Heir" means a person specifically identified by name as an heir to a unit owner in a will or a trust executed by the unit owner.

(b) The provisions of this Section 5.8(a)(6) govern the leasing of units. If a unit is occupied by a person other than the unit owner or a member of the unit owner's Immediate Family or an Immediate Heir of the unit owner for an aggregate period of more than sixty (60) days during any 12-month period, while the unit owner is not a full-time resident in the unit, the unit shall be deemed to be leased, and the provisions of this Section 5.8(a)(6) shall apply, whether or not any compensation or other consideration is paid to the unit owner for such occupancy, and whether or not a written lease agreement has been signed.

(c) If a unit is to be occupied by a member of the unit owner's Immediate Family or an Immediate Heir of the unit owner while the unit owner is not a full-time resident in the unit, the unit owner must provide the Immediate Family member or Immediate Heir with a copy of the Condominium's Declaration, Bylaws and Rules, and the Immediate Family member or

Immediate Heir must acknowledge in writing that he/she has received the Condominium's Declaration, Bylaws and Rules and understands his/her obligation to comply with them. A copy of such written acknowledgment must be provided to the Board of Directors.

(d) No unit shall be used or occupied for transient or hotel purposes or in any event for an initial period of less than six (6) months. No portion of any unit (other than the entire unit) shall be leased or licensed for occupancy for any period. No unit owner shall lease a unit other than on a written form of lease:

- (i) requiring the lessee to comply with the Condominium Instruments and Rules and Regulations;
- (ii) providing that failure to comply constitutes a default under the lease, and
- (iii) providing that the Board of Directors has the power to terminate the lease or to bring summary proceedings to evict the tenant in the name of the lessor thereunder after forty-five (45) days prior written notice to the unit owner, in the event of a default by the lessee in the performance of the lease.

The Board of Directors shall require a standard form lease addendum for use by unit owners. Each unit owner of a condominium unit shall, within two (2) weeks, following the execution of any lease of a condominium unit, forward a signed copy thereof to the Board of Directors. The provisions of this Section 5.8(a)(6), except the restriction against use or occupancy for hotel or transient purposes, shall not apply to a Mortgagee in possession of a unit as a result of foreclosure, judicial sale or a proceeding in lieu of foreclosure.

(e) Subsection (f) below shall apply only with respect to units the titles to which are transferred by the owners of such units to other persons, firms or entities on or after July 28, 2016 ("Effective Date"). Subsection (f) below shall not apply to:

- (i) any unit acquired, owned or held by a Mortgagee, regardless of the date when the title to such unit is acquired by such Mortgagee;
- (ii) any unit the title to which was transferred to a unit owner before the Effective Date, for so long as the unit is owned by that unit owner, by the surviving spouse or surviving domestic partner of that unit owner, by a trust established by that unit owner, or by an Immediate Heir of that unit owner; or
- (iii) occupancy of a unit by a member of the Immediate Family or an Immediate Heir of a unit owner who acquired title to the unit before the Effective Date and who was not leasing the unit before the Effective Date.

(f) Except as otherwise provided in Subsection (e) above, after title to a unit is transferred to:

- (i) a natural person, the unit must be occupied by that person, or by a member of that person's Immediate Family, as his/her residence, or the unit must be left vacant, for at least two (2) years before the unit may be leased to another occupant,
- (ii) a trust, the person who established the trust, or a beneficiary of the trust, must occupy the unit as his/her residence, or the unit must be left vacant, for at least two (2) years before the unit may be leased to another occupant, or

(iii) a corporation, partnership, LLC or other legal business entity, a person named in the organizational documents of such entity as an owner or member of such entity must occupy the unit as his/her residence, or the unit must be left vacant, for at least two (2) years before the unit may be leased to another occupant.

(g) The Board of Directors shall have authority to make an exception to the initial two-year occupancy requirement set forth in Subsection (f) above if the Board of Directors, in its reasonable discretion, determines that granting an exception to the unit owner is necessary to prevent an unreasonable hardship. The unit owner must provide such information as the Board of Directors may require in order to decide whether to make an exception to prevent such an unreasonable hardship.

Except as modified herein, all of the other terms and provisions of the Bylaws, as previously amended, are hereby expressly ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment has been signed by the President of the Association on the date first set forth above.

THE GREENS AT LEISURE WORLD, A CONDOMINIUM
UNIT OWNERS ASSOCIATION

By: Joan Selinger
President

State of Maryland)
) ss:
Montgomery County)

I hereby certify, that on this 29 day of July, 2016, before the subscriber, a Notary Public, personally appeared Joan Selinger, the President of The Greens at Leisure World, A Condominium Unit Owners Association, and acknowledged the foregoing Amendment to be the act of The Greens at Leisure World, A Condominium Unit Owners Association.

Perla Marina Alvarez
Notary Public

[SEAL]

My commission expires:

PERLA MARINA ALVAREZ
NOTARY PUBLIC
MONTGOMERY COUNTY
MARYLAND
My Commission Expires 05-14-2020

CERTIFICATE

I hereby certify, pursuant to Section 11-104(e)(2) of the Maryland Condominium Act, Title 11, Md. Real Prop. Code Ann., as amended, that the foregoing Amendments to the Condominium Bylaws were approved by unit owners having the required percentage of votes in the Association. I further certify that the foregoing Amendments to the Condominium Bylaws shall be effective on recordation among the land records of Montgomery County, Maryland.

Eleanor Phyllis Kirk

Secretary, The Greens at Leisure World, A Condominium
Unit Owners Association

State of Maryland)

Montgomery County)

) ss:
)

I hereby certify, that on this 29 day of July, 2016, before the subscriber, a Notary Public, personally appeared Eleanor Phyllis Kirk, the Secretary of The Greens at Leisure World, A Condominium Unit Owners Association, and acknowledged the foregoing Certificate to be his/her act.

Perla Marina Alvarez
Notary Public

[SEAL]

My commission expires:

PERLA MARINA ALVAREZ
NOTARY PUBLIC
MONTGOMERY COUNTY
MARYLAND
My Commission Expires 05-14-2020

Section 5.12. Storage; Disclaimer of Bailee Liability. The storage cubicles are common elements and may be assigned to units as Reserved Common Elements by appropriate resolution of the Board of Directors (unless such cubicles have been assigned as limited common elements). The Board of Directors, the Unit Owners Association, any unit owner and the Declarant shall not be considered a bailee, however, if any personal property stored on the common elements (including property located in storage cubicles and vehicles parked on the common elements), whether or not exclusive possession of the particular area is given to a unit owner for storage or parking purposes, and shall not be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence, except to the extent covered by insurance in excess of any applicable deductible. Liber 6410 Folio 600

ARTICLE 6

Insurance

Section 6.1. Authority to Purchase; Notice.

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

(b) Each such policy shall provide that:

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

(2) Such policy shall not be cancelled, invalidated or suspended due to the conduct of any unit owner (including such unit owner's invitees, tenants, agents and employees) or of any member, officer or employee of the Board of Directors or the managing agent without a prior demand in writing that the Board or the managing agent cure the defect and neither shall have so cured such defect within sixty days after such demand; and Liber 6410 Folio 601

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

- (c) The Declarant, so long as Declarant shall own any unit, shall be protected by all such policies as a unit owner. The coverage provided to the Declarant under the insurance policies obtained in compliance with Article 6 shall not be deemed to protect or be for the benefit of any general contractor engaged by the Declarant nor shall such coverage be deemed to protect the Declarant against liability for (or waive any rights with respect to) warranty claims.
- (d) All policies of insurance shall be written by reputable companies license to do business in the State of Maryland. Physical damage policies shall be in form and substance and with carriers acceptable to a majority of the Mortgagees.
- (e) The deductible, if any, on any insurance policy purchased by the Board of Directors shall be a common expense; provided, however, that the Association may, pursuant to subsection 5.5(a) of these Bylaws, assess any deductible amount necessitated by the negligence, misuse or neglect of a unit owner against such unit owner.

Section 6.2. Physical Damage Insurance.

- (a) The Board of Directors shall obtain and maintain a blanket, "all-risk" form policy of fire insurance with extended coverage, vandalism, malicious mischief, sprinkler leakage (if applicable), debris removal and water damage endorsements, insuring the entire Property (including all of the units and the bathroom and kitchen fixtures initially installed therein by the Declarant and the replacements thereto installed by the Declarant but not including furniture, wallcoverings, improvements and additions, furnishings or other personal property supplied or installed by unit owners), together with all air conditioning and heating equipment and other service machinery contained therein and covering the interests of the Unit Owners Association, the Board of Directors and all unit owners and their Mortgagees, as their interests may appear, (subject, however, to the loss payment and adjustment provisions in favor of the insurance trustee contained in Sections 6.6 and 6.7 hereof), in an amount equal to one hundred percent of the then current replacement cost of the Property (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation (such amount to be redetermined annually by the Board with the assistance of the insurance company affording such coverage). The Board of Directors shall also obtain and maintain such coverage on all real and personal property owned by the Unit Owners Association.
- (b) Such policy shall also provide:
 - (1) A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to these Bylaws not to do so;

Liber 6410
Folio 602

the Greens

AT LEISURE
WORLD

A CONDOMINIUM

MEMORANDUM

TO: All Unit Owners of Mutual 20A

FROM: Ralph Kirby, Secretary, Mutual 20A Board of Directors

DATE: December 27, 2001

SUBJECT: Bylaw Change

Attached please find a copy of the recorded bylaw change for The Greens at Leisure World. Please insert this new change into your bylaws under Article 6.

If you have any questions regarding this matter, please call the association office at 301-598-1505.

Thank you all for your voting and participation in this bylaw change.

Ralph Kirby

AMENDMENT TO BYLAWS DATED NOVEMBER 16, 2001

ARTICLE 6Insurance

LIBER 6410 FOLIO 600

ID 276 32 96

Section 6.1. Authority to Purchase; Notice.

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

(b) Each such policy shall provide that:

- (1) The insurer waives any right to claim by way of subrogation against the Declarant, the Unit Owners Association, the Board of Directors, the managing agent of the unit owners, and their respective agents, employees, tenants, guests and, in the case of the unit owners, the members of their households;
 - (2) Such policy shall not be cancelled, invalidated or suspended due to the conduct of any unit owner (including such unit owner's invitees, tenants, agents and employees) or of any member, officer or employee of the Board of Directors or the managing agent without a prior demand in writing that the Board or the managing agent cure the defect and neither shall have so cured such defect within sixty days after such demand; and
 - (3) Such policy may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least sixty days prior written notice to the Board of Directors, the managing agent and all Mortgagees.
- (c) The Declarant, so long as Declarant shall own any unit, shall be protected by all such policies as a unit owner. The coverage provided to the Declarant under the insurance policies obtained in compliance with Article 6 shall not be deemed to protect or be for the benefit of any general contractor engaged by the Declarant nor shall such coverage be deemed to protect the Declarant against liability for (or waive any rights with respect to) warranty claims.
- (d) All policies of insurance shall be written by reputable companies license to do business in the State of Maryland. Physical damage policies shall be in form and substance and with carriers acceptable to a majority of the Mortgagees.

RECORDING FEE 20.00
 IMP FD SURE 1 5.00
 TOTAL 25.00
 NOV 26 2001
 11:46 AM
 2001 NOV 26 2:48 PM

(e) Insurance Deductibles.

LIBER 6410 FOLIO 600

(i) The deductible if any, on any master property damage insurance claim policy purchased by the Board of Directors shall be a common expense, subject to the provisions of this subsection; provided, however, that the Association may, pursuant to subsection 5.5(a) of these Bylaws, assess any deductible amount necessitated by the negligence, misuse or neglect of a unit owner against such unit owner.

(ii) If the cause of any casualty damage originates in a 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 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.

(iii) 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.

(iv) 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 Bylaws or otherwise.

Section 6.2. Physical Damage Insurance.

(a) The Board of Directors shall obtain and maintain a blanket, "all-risk" form policy of fire insurance with extended coverage, vandalism, malicious mischief, sprinkler leakage (if applicable), debris removal and water damage endorsements, insuring the entire Property (including all of the units and the bathroom and kitchen fixtures initially installed therein by the Declarant and the replacements thereto installed by the Declarant but not including furniture, wallcoverings, improvements and additions, furnishings or other personal property supplied or installed by unit owners), together with all air conditioning and heating equipment and other service machinery contained therein and covering the interests of the Unit Owners Association, the Board of Directors and all unit owners and their Mortgagees, as their interests may appear, (subject, however, to the loss payment and adjustment provisions in favor of the insurance trustee contained in Sections 6.6 and 6.7 hereof), in an amount equal to one hundred percent of the then current replacement cost of the Property (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation (such amount to be redetermined annually by the Board with the assistance of the insurance company affording such coverage). The Board of Directors shall also obtain and maintain such coverage on all real and personal property owned by the Unit Owners Association.

(b) Such policy shall also provide:

LIBER 6410 FOLIO 600

- (1) A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to these Bylaws not to do so;
- (2) The following endorsements (or equivalent): (i) "no control" (to the effect that coverage shall not be prejudiced by any act or neglect of any occupant or unit owner or their agents which such act or neglect is not within the control of the insured, or the unit owners collectively; nor by any failure of the insured, or the unit owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or the unit owners collectively, have no control); (ii) "cost of demolition"; (iii) "contingent liability from operation of building laws and codes"; (iv) "increased cost of construction"; (v) "condominium replacement cost"; and (vi) "agreed amount" or elimination of co-insurance clause; and
- (3) That any "no other insurance" clause expressly exclude individual unit owners' policies from its operation so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual unit owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual unit owners or their Mortgagees unless otherwise required by law.

(c) A duplicate original of the policy of physical damage insurance, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer to any Mortgagees requesting the same, at least thirty days prior to expiration of the then current policy. Prior to obtaining any policy of physical damage insurance or any renewal thereof the Board of Directors shall obtain an appraisal from an insurance company, or such other source as the Board may determine, of the then current replacement cost of the Property (exclusive of the Land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this section. All Mortgagees shall be notified promptly of any event giving rise to a claim under such policy arising from damage to the common elements in excess of one percent of the then current replacement cost of the Property. The Mortgagees of a unit shall be notified promptly of any event giving rise to a claim under such policy arising from damage to such unit.

Section 6.3. Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage) and property damage liability insurance in such limits as the Board may from time to time determine, insuring each director, the managing agent, each unit owner and the employees of the Unit Owners Association against any liability to the public or to the unit owners (and their invitees, tenants, agents and employees) arising out of, or incident to the ownership or use of the common elements. Such insurance shall be issued on a comprehensive liability basis and shall contain: (1) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to an action against another named insured; (ii) hired and non-owned vehicle coverage;

LIBER 6410 FOLIO 600

(iii) host liquor liability coverage with respect to events sponsored by the Unit Owners Association; (iv) deletion of the normal products exclusion with respect to events sponsored by the Unit Owners Association; and (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability coverage to a unit owner because of negligent acts of the Unit Owners Association or of another unit owner. The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than one million dollars covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than three million dollars.

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

- (a) adequate fidelity coverage to protect against dishonest acts on the part of Officers, directors, trustees and employees of the Unit Owners Association and all others who handle, or are responsible for handling, funds of the Association, including the managing agent. Such fidelity bonds shall: (i) name the Unit Owners Association as an obligee; (ii) be written in an amount not less than one-half the total annual condominium assessments for the year or the amount required by the Mortgagees, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, whichever is greatest; and (iii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression;
- (b) if required by any governmental or quasi-governmental agency, including without limitation the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; flood insurance in accordance with the then applicable regulations of such agency;
- (c) workers' compensation insurance if and to the extent necessary to meet the requirements of law (including a voluntary employees endorsement and an "all states" endorsement);
- (d) pressure, mechanical and electrical equipment including air-conditioning equipment coverage on a comprehensive form in an amount not less than five hundred thousand dollars per accident per location;
- (e) directors and officers liability insurance in an amount not less than one million dollars; and
- (f) such other insurance as the Board of Directors may determine or as may be requested from time to time by a Majority Vote.

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

cause any insurance coverage maintained by the Board to be brought into contribution with insurance coverage obtained by a unit owner. No unit owner shall obtain separate insurance policies on the Condominium except as provided in this section.

Section 6.6. Insurance Trustee.

- (a) All physical damage insurance policies purchased by the Board of Directors shall be for the benefit of the Unit Owners Association, the unit owners, their Mortgagees and the Declarant, as their interest may appear, and shall provide that all proceeds of such policies shall be paid in trust to the Board as "insurance trustee" to be applied pursuant to the terms of Article 7.
- (b) The sole duty of the insurance trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes elsewhere stated in these Bylaws, for the benefit of the insureds and their beneficiaries thereunder.

LIBER 6410 FOLIO 600

Mail to

*The Greens at Leisure World
15107 A Interlachen Drive
Silver Spring, MD 20906*

Phone (301) 598-1505

- (2) The following endorsements (or equivalent): (i) "no control" (to the effect that coverage shall not be prejudiced by any act or neglect of any occupant or unit owner or their agents which such act or neglect is not within the control of the insured, or the unit owners collectively; nor by any failure of the insured, or the unit owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or the unit owners collectively, have no control); (ii) "cost of demolition"; (iii) "contingent liability from operation of building laws and codes"; (iv) "increased cost of construction"; (v) "condominium replacement cost"; and (vi) "agreed amount" or elimination of co-insurance clause; and
- (3) That any "no other insurance" clause expressly exclude individual unit owners' policies from its operation so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual unit owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual unit owners or their Mortgagees unless otherwise required by law.
- (c) A duplicate original of the policy of physical damage insurance, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer to any Mortgagees requesting the same, at least thirty days prior to expiration of the then current policy. Prior to obtaining any policy of physical damage insurance or any renewal thereof the Board of Directors shall obtain an appraisal from an insurance company, or such other source as the Board may determine, of the then current replacement cost of the Property (exclusive of the Land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this section. All Mortgagees shall be notified promptly of any event giving rise to a claim under such policy arising from damage to the common elements in excess of one percent of the then current replacement cost of the Property. The Mortgagees of a unit shall be notified promptly of any event giving rise to a claim under such policy arising from damage to such unit.

Liber 6410
Folio 603

Section 6.3. Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage) and property damage liability insurance in such limits as the Board may from time to time determine, insuring each director, the managing agent, each unit owner and the employees of the Unit Owners Association against any liability to the public or to the unit owners (and their invitees, tenants, agents and employees) arising out of, or incident to the ownership or use of the common elements. Such insurance shall be issued on a comprehensive liability basis and shall contain: (1) a cross liability endorsement under which the rights of a named insured under the policy shall not be

prejudiced with respect to an action against another named insured; (ii) hired and non-owned vehicle coverage; (iii) host liquor liability coverage with respect to events sponsored by the Unit Owners Association; (iv) deletion of the normal products exclusion with respect to events sponsored by the Unit Owners Association; and (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability coverage to a unit owner because of negligent acts of the Unit Owners Association or of another unit owner. The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than one million dollars covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than three million dollars.

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

- (a) adequate fidelity coverage to protect against dishonest acts on the part of Officers, directors, trustees and employees of the Unit Owners Association and all others who handle, or are responsible for handling, funds of the Association, including the managing agent. Such fidelity bonds shall: (i) name the Unit Owners Association as an obligee; (ii) be written in an amount not less than one-half the total annual condominium assessments for the year or the amount required by the Mortgagees, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, whichever is greatest; and (iii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; Liber 6410 Folio 604
- (b) if required by any governmental or quasi-governmental agency, including without limitation the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; flood insurance in accordance with the then applicable regulations of such agency;
- (c) workers' compensation insurance in and to the extent necessary to meet the requirements of law (including a voluntary employees endorsement and an "all states" endorsement);
- (d) pressure, mechanical and electrical equipment including air-conditioning equipment coverage on a comprehensive form in an amount not less than five hundred thousand dollars per accident per location;
- (e) directors and officers liability insurance in an amount not less than one million dollars; and
- (f) such other insurance as the Board of Directors may determine or as may be requested from time to time by a Majority Vote.

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

Section 6.6. Insurance Trustee.

Liber 6410
Folio 605

- (a) All physical damage insurance policies purchased by the Board of Directors shall be for the benefit of the Unit Owners Association, the unit owners, their Mortgagees and the Declarant, as their interest may appear, and shall provide that all proceeds of such policies shall be paid in trust to the Board as "insurance trustee" to be applied pursuant to the terms of Article 7.
- (b) The sole duty of the insurance trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes elsewhere stated in these Bylaws, for the benefit of the insureds and their beneficiaries thereunder.

ARTICLE 7

Repair and Reconstruction After Fire or Other Casualty

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

Section 7.2. Procedure for Reconstruction and Repair.

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

- (b) Assessments. If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacement funds and/or shall be deemed a common expense and a special assessment therefor shall be levied. Liber 6410 Folio 606
- (c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the original construction of the Property, subject to any modifications required by changes in applicable governmental regulations, and using contemporary building materials and technology to the extent feasible.

Section 7.3. Disbursements of Construction Funds.

- (a) Construction Fund and Disbursement. The proceeds of insurance collected on account of casualty, and the sums received by the insurance trustee from collections of assessments against unit owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:
- (1) If the estimated cost of reconstruction and repair is less than five percent of the total annual assessment for common expenses for that fiscal year, then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors; provided, however, that upon request of twenty percent of the Mortgagees, such fund shall be disbursed pursuant to paragraph (2).
- (2) If the estimated cost of reconstruction and repair is five percent of the total annual assessment for common expenses for that fiscal year or more, then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in Maryland and employed by the insurance trustee to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect and other persons who have rendered services or furnished materials in connection with the work stating that: (i) the sums requested by them in payment are justly due and owing and that such sums do not exceed the value of the services and materials furnished; (ii) there is no other outstanding indebtedness known to such architect for the services and materials described; and (iii) the cost as estimated by such architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the sum so requested. Liber 6410 Folio 607

- (b) Surplus. The first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds and, if there is a balance in the construction fund after the payment of all of the costs of the reconstruction and repair for which the fund is established, such balance shall be divided among all unit owners in proportion to their Common Element Interests and shall be distributed in accordance with the priority of interests at law or in equity in each unit.
- (c) Common Elements. When the damage is to both common elements and units, the insurance proceeds shall be applied first to the cost of repairing those portions of the common elements which enclose and service the units, then to the cost of repairing the other common elements and thereafter to the cost of repairing the units.
- (d) Certificate. The insurance trustee shall be entitled to rely upon a certificate executed by the President or Vice President, and the Secretary, certifying: (i) whether the damaged Property is required to be reconstructed and repaired; (ii) the name of the payee and the amount to be paid with respect to disbursement from any construction fund whether surplus funds to be distributed are less than the assessments paid by the unit owners; and (iii) all other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the insurance trustee promptly after request.

Section 7.4. When Reconstruction Is Not Required. If eighty percent of the unit owners, including every owner of a unit proposed not to be rebuilt and every holder of the right to use a limited common element proposed not to be rebuilt, votes not to rebuild any portion of the Condominium, the Board of Directors shall remove all remains of the damaged improvements and restore the site thereof to an acceptable condition compatible with the remainder of the Condominium and the balance of any insurance proceeds received on account of such damage shall be distributed among all unit owners in proportion to their respective Common Element Interests. If the Condominium shall be terminated pursuant to section 11-123 of the Condominium Act, the net assets of the Condominium together with the net proceeds of insurance policies, if any, shall be divided by the insurance trustee among all unit owners in proportion to their respective Common Element Interests.

ARTICLE 8

Liber 6410

Folio 608

Mortgages

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

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

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

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

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

ARTICLE 9

Compliance and Default

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

Liber 6410
Folio 609

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

- (b) Costs and Attorney's Fees. In any proceedings arising out of any alleged default by a unit owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the court.
- (c) No Waiver of Rights. The failure of the Unit Owners Association, the Board of Directors or of a unit owner to enforce any right, provision, covenant or condition which may be granted by the condominium instruments or the Condominium Act, shall not constitute a waiver of the right of the Association, the Board or the unit owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Unit Owners Association, the Board of Directors or any unit owner pursuant to any term, provision, covenant or condition of the condominium instruments or the Condominium Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the condominium instruments or the Condominium Act or at law or in equity.
- (d) Interest. In the event of a default by any unit owner in paying any sum assessed against the condominium unit other than for common expenses which continues for a period in excess of fifteen days, interest at a rate not to exceed the lower of the maximum permissible interest rate which may be charged by a Mortgagee under a Mortgage at such time or eighteen percent per annum may be imposed in the discretion of the Board of Directors on the principal amount unpaid from the date due until paid.
- (e) Abating and Enjoining Violations by Unit Owners. The violation of any of the Rules and Regulations adopted by the Board of Directors, the breach of any provisions of the condominium instruments or the Condominium Act shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (i) to enter the unit in which, or as to which, such violations or breach exists and summarily to abate and remove, at the expense of the default unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. Liber 6410 Folio 610
- (f) Legal Proceedings. Failure to comply with any of the terms of the condominium instruments and the Rules and Regulations shall be grounds for relief, including without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaws or any combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Unit Owners Association, the Board of Directors, the managing agent or, if appropriate, by any aggrieved unit owner and shall not constitute an election of remedies.

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

Section 9.2. Lien for Assessments.

- (a) Lien. The total annual assessment of each unit owner for common expenses or any special assessment, or any other sum duly levied (including without limitation fines, interest, late charges, etc.), made pursuant to these bylaws, is hereby declared to be a lien levied against the condominium unit of such unit owner as provided in section 11-110 of the Condominium Act, which lien shall, with respect to annual assessments, be effective on the first day of each fiscal year of the Condominium and, as to special assessments and other sums duly levied, on the first day of the next month which begins more than seven days after delivery to the unit owner of notice of such special assessment or levy. The Board of Directors or the managing agent may file or record such other or further notice of any such lien, or such other or further document, as may be required to conform the establishment and priority of such lien.
- (b) Acceleration. In any case where an assessment against a unit owner is payable in installments, upon a default by such unit owner in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Directors, and the entire balance of the annual assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting unit owner and such unit owner's Mortgagee by the Board of Directors or the managing agent, in accordance with the Condominium Act.
- (c) Enforcement. The lien for assessments may be enforced and foreclosed in any manner permitted by the laws of the State of Maryland, pursuant to section 11-110 of the Condominium Act or by action in the name of the Board of Directors, or the managing agent, acting on behalf of the Unit Owners Association. During the pendency of such proceeding the unit owner shall be required to pay a reasonable rental for the unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the laws of the State of Maryland.

Liber 6410
Folio 611

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

Section 9.3. Supplemental Enforcement of the Lien. In addition to the proceedings at law or in equity for the enforcement of the lien established by the condominium instruments or the Condominium Act, all of the unit owners may be required by the Declarant 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 recording a declaration of trust in the land records where the condominium instruments are recorded granting unto one or more trustees appropriate powers to the end that, upon default in the performance of such bond such declaration or trust may be foreclosed by such trustees acting at the discretion of the Board of Directors upon reasonable notice to the unit owner, and after a reasonable opportunity to be heard. If any such bonds have been executed and such declaration of trust is recorded, then any subsequent purchaser of a unit shall take title subject thereto and shall assume the obligations provided for therein.

Liber 6410
Folio 612

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

ARTICLE 10

Amendments to Bylaws

Section 10.1. Amendments. These Bylaws may not be modified or amended except as provided in section 11-104(e) of the Condominium Act, as amended, from time to time; provided, however, that until the expiration of the Declarant Control Period, the Bylaws may be amended only by the affirmative vote of owners of units to which seventy-five percent of the Common Element Interests appertain. All amendments to the Bylaws shall be prepared and recorded by the Secretary.

ARTICLE 11

Miscellaneous

Section 11.1. Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or sent by United States mail, postage prepaid, or if notification is of a default or lien, sent by registered or certified United States mail, return receipt requested, postage prepaid, (i) if to a unit owner, at the address which the unit owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the unit of such unit owner, or (ii) if to the Unit Owners Association, the Board of Directors, or to the managing agent, at the principal office of the managing agent or at such other address as shall be designated by notice in writing to the unit owners pursuant to this section. If a unit is owned by more than one person, each such person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder. Liber 6410 Folio 613

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

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

Section 11.4. Construction. These condominium instruments are intended to comply with all of the applicable provisions of the Condominium Act and shall be so interpreted and applied.

/2041A

THE GREENS AT LEISURE WORLD, A CONDOMINIUM
Maintenance Responsibilities

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

THE GREENS AT LEISURE WORLD, A CONDOMINIUM
Maintenance Responsibilities

I	II	III	IV	V				
ITEMS	GENERAL ELEMENTS ASSOCIATION RESPONSIBILITY	COMMON UNDER ASSOCIATION RESPONSIBILITY	LIMITED ELEMENTS ASSOCIATION RESPONSIBILITY	COMMON UNDER ASSOCIATION RESPONSIBILITY	UNIT UNDER RESPONSIBILITY	COMPONENTS ASSOCIATION	CERTAIN COMPONENTS UNIT WITHOUT OWNERSHIP OF THE COMPONENT	OTHER UNDER OWNER'S RESPONSIBILITY RESPECT TO OF THE
Refuse Collection System	All, in all regards.		---		---		---	
Grounds, including all paved areas & other improvements thereon lying outside the main walls of the building.	All.		---		---		---	
Building exterior roof, exterior vertical walls, foundations.	All, in all regards.		---		---		---	
Windows.	All which do not serve a unit, in all regards.		All, in all regards except routine cleaning.		---		Routine cleaning.	
Doors, Main Entry to Units.	---		---		All surfaces exposed to corridor, including door panel, buck, trim and sill.		Interior of door panel interior trim. Hardware set including lock and door chime assembly and hinges/closure.	
Balcony Doors.	---		In all regards except routine cleaning, latch mechanism and weather-stripping.		---		Routine cleaning, latch mechanism and weather-stripping.	

THE GREENS AT LEISURE WORLD, A CONDOMINIUM
Maintenance Responsibilities

I	II	III	IV	V				
ITEMS	GENERAL ELEMENTS ASSOCIATION RESPONSIBILITY	COMMON UNDER ASSOCIATION RESPONSIBILITY	LIMITED ELEMENTS ASSOCIATION RESPONSIBILITY	COMMON UNDER ASSOCIATION RESPONSIBILITY	UNIT UNDER RESPONSIBILITY	COMPONENTS ASSOCIATION RESPONSIBILITY	CERTAIN COMPONENTS UNIT RESPONSIBILITY WITHOUT OWNERSHIP OF THE COMPONENT	OTHER OWNER'S RESPONSIBILITY RESPECT TO OF THE
Balconies, Terraces and Railings	---		In all except cleaning.	regards routine	---		Routine cleaning.	
Balcony Enclosures (if any)	---		---		---		All, in all regards.	
Screens (balcony and terraces doors and windows)	All which do not serve a Unit, in all regards.		---		---		All which serve the unit in all respects. Replace- ments to be of same color grade and style.	

NOTES

MAINTENANCE RESPONSIBILITIES:

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

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

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

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

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

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